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THE WEATHER — PARIS: Monday, overcast, showers. Tuesday, variable, showers. LONDON: Monday, rain. Tuesday, rain. NEW YORK: Monday, rain. Tuesday, rain. NEW YORK: Monday, rain. Tuesday, rain.

ADDITIONAL WEATHER — PAGE 2

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|-------------|------|-------------------|------|
| Austria | 12.5 | Kenya | 5m. |
| Belgium | 20.8 | Lebanon | 12.5 |
| Denmark | 25.0 | Luxembourg | 20.1 |
| Egypt | 40.0 | Morocco | 27.5 |
| France | 22.0 | Netherlands | 15.0 |
| Germany | 22.0 | Nigeria | 20.0 |
| Greece | 25.0 | Norway | 20.0 |
| India | 25.0 | Portugal | 25.0 |
| Iran | 25.0 | Spain | 25.0 |
| Italy | 25.0 | Sweden | 25.0 |
| Japan | 25.0 | Switzerland | 25.0 |
| South Korea | 25.0 | Turkey | 25.0 |
| Taiwan | 25.0 | U.S. Military (J) | 25.0 |
| Thailand | 25.0 | Yugoslavia | 25.0 |



Anti-airport radical students clash with police near the new Tokyo airport at Narita.

Japan Airport Foes Ram Bomb Into Police Van

NARITA, Japan, July 2 (UPI) — Radical opponents of the new Tokyo International Airport at Narita drove a home-made bomb on wheels into a police van today. The police vehicle was destroyed when it was hit by the truck loaded with gasoline-filled bottles, but the policemen and radicals in the vehicles escaped serious injury.

Police captured and arrested six persons, including a woman, who injured an officer as they fled from the burning wreckage.

The attack was the most serious protest incident since the controversial airport opened May 20.

At least 44 other persons were arrested, and two policemen suffered minor injuries, when about 5,200 protesters approached a road near the airport that police, citing security considerations, had declared off-limits to demonstrators.

The protesters gathered on the highway in defiance of the police order and halted traffic for about two hours.

The protest was staged in support of the "100-day struggle" launched by an anti-airport farmers' league. The league is made up of about 130 farmers who own land in an area set aside by the government for a second runway at the airport, but their influence is swelled by the support

of radical students and environmentalists.

The rally was the largest ever held by opponents of the airport, which has been protected by about 10,000 police since its opening.

Studies Alternate Sites, Awaits EPA Ruling

U.S. Suspends Work at Seabrook A-Plant

By Peter Barnes

WASHINGTON, July 2 (WP) — The U.S. Nuclear Regulatory Commission has ordered construction suspended indefinitely at the Seabrook, N.H., nuclear power station.

The halt, effective July 21, will allow the commission to consider alternate sites and to await a ruling by the U.S. Environmental Protection Agency on the adequacy of Seabrook's cooling system. There was no estimate of how long this might take.

Frank Shants, an official of Public Service Co. of New Hampshire, the largest owner of the plant, said Friday night that he "couldn't speculate as to what the company's next step might be."

But he indicated that the company would attempt to win approval from the EPA for the cooling system.

The company can appeal the commission's decision to the U.S. Court of Appeals in Boston.

"Beginning of End"

Spokesmen for about 200 anti-nuclear demonstrators who had staged a 56-hour vigil outside the commission offices called the decision "the beginning of the end of nuclear power in America."

[Gov. Meldrim Thomson yesterday threatened a multimillion-dollar damage suit against the U.S. government for what he called its "asinine decision." United Press International reported.

"We will pursue every legal avenue that might be open, including a multimillion-dollar suit against the federal government, for the damages our people will suffer if work is suspended at Seabrook," he said in a statement late yesterday.]

The commission divided 2 to 1 on two issues: Suspending construction and narrowing the search for alternate sites to northern New England.

Commission officials refused comment on the long-term effect of the Friday ruling on Seabrook, a \$2.3-billion "facility." "You are trying to get a simple answer to a complicated question," said James Kelley, acting general counsel.

Commissioners Victor Glinksky and Peter Bradford, who voted to suspend construction, wrote in their opinion that the central issue was simply "protecting our opportunity for a real choice for alternatives" in sites and cooling systems.

Commissioner Richard Kennedy dissented on the question of suspending construction, but joined Commissioner Glinksky in the vote narrowing the search for

alternate sites. Commissioner Bradford dissented on that issue.

Seabrook construction began in 1975 but it is now only 10 percent completed, and before Friday ruling it was expected to begin operation in 1984.

The issue of Seabrook's license was back before the commission because of recent decisions by the appeals court and the commission appeal board.

In February, the court ruled that EPA had followed incorrect procedures in approving the proposed cooling system, which would use 1.2 billion gallons of seawater a day to cool the nuclear reactors.

New EPA hearings began last Monday in Manchester, N.H., and will continue next week.

In April, the commission's Atomic Licensing and Safety Appeal Board ruled that the licensing board had given inadequate consideration to alternate sites for the Seabrook facility, but the appeal board had refused to halt construction.

Major Victory Seen

Despite the prospect of continued legal wrangles over Seabrook, anti-nuclear protesters saw the ruling as a major victory.

"The effects of this decision go far beyond the question of sites or cooling systems," said Chuck Matthews of the Clamshell Alliance, a coalition of anti-nuclear groups that has directed much of the opposition to Seabrook. "The significance lies in the manner in which it was reached — amidst a tremendous outpouring of public opposition."

The three-day Washington protest, organized by the Seabrook Natural Guard, followed protests at the nuclear site in Seabrook. About 20,000 anti-nuclear demonstrators gathered in Seabrook last weekend for a rally that featured Dr. Benjamin Spock, comedian Dick Gregory and singers Peter Seeger and Arlo Guthrie.

(Continued on Page 2, Col. 8)

Soviet Radar Disrupts U.S. Launch Plan

By Thomas O'Toole

WASHINGTON, July 2 (WP) — The National Aeronautics and Space Administration has discovered that the two giant satellites planned for launch in 1980 to communicate with other spacecraft will not work because of interference from Soviet radar.

The space agency is redesigning the electronic systems, but the engineering model for them already had been built. It expects at least a three-month delay in the launch and an extra cost of \$100 million.

The interference, which is not deliberate, comes from routine activities of the Soviet radar installations that surround Eastern Europe.

The first satellite was scheduled to be carried into orbit by the space shuttle in July, 1980. The delay is a setback because NASA wanted the satellite to be communicating with the shuttle as shuttle flights increase in 1980.

Moreover, the tracking station contracts that NASA has with

other countries will be expiring about that time.

The Tracking and Data Relay Satellites are transmitters and receivers whose two umbrella-like antennas weigh 50 pounds apiece and unfurl in space to a diameter of 164 feet. They are being built to replace 60 percent of the antennas that NASA uses on earth at a saving of more than \$100 million a year.

The Soviet interference was not identified as a problem until last December, more than two years after a \$786-million contract was awarded to Western Union for six of the 5,000-pound satellites.

"The people involved didn't fully understand the environment and the effects it would have on the system," said Curtis Johnson, project manager of the Tracking

and Data Relay Satellite at Goddard Space Flight Center. "Otherwise, we would have been more careful in the specifications of the system."

Sources at the White House and on Capitol Hill said that part of the reason for the belated discovery was that the Pentagon and CIA never alerted NASA to the size and scope of the radio interference that Soviet radars cause in the high orbit regions to be occupied by the Tracking and Data Relay Satellite.

Converging Beams

The Soviet radars from the Baltic to the Black Sea transmit beams that converge over the Atlantic and Pacific at precisely the same locations at which NASA wants to put its tracking and relay satellites.

(Continued on Page 2, Col. 8)

Italian Socialists Name Candidate

ROME, July 2 (Reuters) — Italy's Socialist Party today tried to force the hand of the Christian Democrats on the search for a new president by launching their own candidate and inviting the ruling party to support him.

After a meaningless ballot this morning, from which the Socialists and the Christian Democrats abstained, Socialist leader Bettino Craxi announced that his party would put up veteran Sandro Pertini as its official candidate tomorrow.

He said that Mr. Pertini, 81, who was an anti-fascist under Mussolini, would have the support of small left parties and probably the Communists.

By Louis B. Fleming

LA MADDALENA, Italy, July 2 — The USS Lapon, a nuclear-powered attack submarine, slipped away from its berth and headed across the bay for the open Mediterranean.

It had just completed a month of maintenance and refit alongside the submarine tender Gilmore here in Sardinia. In minutes, it would dive and join three other U.S. submarines — and perhaps a dozen Soviet submarines — in the chilly waters hawking each other, drilling, preparing for a war that no one wants.

Those American submarines, and the readiness made possible by the Gilmore, have given U.S. and NATO naval forces an important, perhaps crucial, edge in the Mediterranean. But the

maintenance operations of the Gilmore, here in the Maddalena archipelago, remains to some Italians the object of controversy and fear. And the continuing agitation means that there is always a risk that a new government in Rome might have second thoughts about the agreement permitting the operation at this island base.

"Maddalena is essential if we are going to maintain an adequate number of submarines on station in the Mediterranean," Rear Adm. Thomas Malone Jr., commander of U.S. submarines in the Mediterranean with headquarters in Naples, said.

"In the context of our alliances, the base has to be accepted," Fulco Accumio, the Socialist

chairman of the parliamentary committee on defense, told an Italian magazine after inspecting the facility.

Among people here, however, there is a twofold controversy: There is fear of nuclear contamination from the reactors that power the submarines and from the nuclear weapons that many townspeople are convinced are aboard the submarines.

And the intrusion of 800 U.S. Navy dependents has strained housing both here in La Maddalena, where 270 American families live, and in a nearby town on Sardinia itself. Their presence also has contributed to inflation in rents, to the disadvantage of low-income families, according to city officials.

For most people in the town, the nuclear threat does not seem to be much of a bother. Nor is there any evidence that it has interfered with the massive tourist investments on the adjacent coast of Sardinia. But there is sensitivity that makes the relationship less than joyful.

After the submarine Ray ran aground off Tunisia last September and limped into La Maddalena for repairs there was an angry response. In three days, 1,500 signatures were collected on a petition urging removal of the U.S. facilities. The controversy was quieted only after a parliamentary committee inspected the damaged submarine and found no risk of radiation.

Rumors are rampant. Miga-

zines talk about secret caves along the coast of Sardinia where NATO submarines are hidden. Many local people refuse to believe that these attack submarines do not carry nuclear-armed missiles, and they find no reassurance in the Navy policy of refusing to say whether nuclear weapons are stored here and aboard the submarines.

Suspicious worsened earlier in the year when U.S. fighter planes, in what was seen as gross negligence, dropped live bombs well outside a practice range on Sardinia.

For enlisted men on liberty, it creates its own problems. And the language barrier complicates communication between senior officers and local officials. The

Navy in Washington has refused requests for language training for senior officers, so they study on their own, rely heavily on a handful of men with some fluency in the language, and put a lot of faith in sign language and a few affectionate salutations when they get together for receptions.

The Navy is proud of what it contributes to the local economy but local officials are not impressed. "We are putting about 7 billion lire (\$1.1 million) a year into the economy of Maddalena," Adm. Malone said.

"They buy very little here," a waterfront shopkeeper said, with a sharp glance across the road to the stack of huge Navy shipping containers that bring everything from blue jeans to ketchup.

Los Angeles Times

Cairo Is Undecided

Begin Agrees to Resume Mideast Talks in London

JERUSALEM, July 2 (AP) — Vice President Mondale announced today after a meeting with Prime Minister Menachem Begin that Israel had agreed to a foreign ministers' meeting with Egypt to try to revive the deadlocked Mideast peace talks.

In Cairo, the Egyptian foreign minister said his government had not yet decided whether to attend the proposed mid-July meeting in London.

Mr. Mondale and Mr. Begin emerged from a 90-minute meeting to face 200 chanting, whistling demonstrators in front of Mr. Begin's office. The demonstration was organized by the rightist Gush Emunim movement, which opposes any Israeli withdrawal from the occupied West Bank of the Jordan River.

The vice president is on a four-day visit to Israel.

In a joint news conference with Mr. Begin, Mr. Mondale called the proposed meeting of Foreign Ministers Moshe Dayan of Israel and Mohammed Ibrahim Kamel of Egypt "the next important step" toward peace in the Mideast. Secretary of State Cyrus Vance would also take part in the London talks.

Mr. Begin said: "We agree the peacemaking process should continue and negotiations . . . should be renewed."

Egyptian Conditions

Mr. Kamel told reporters in Cairo that Egypt had not yet received an invitation from Washington to the London meeting. But he said such a meeting should be preceded by Egypt's presentation of its latest peace proposals. "Only then shall we decide on our next step," he said.

Mr. Kamel said last week that Egyptian participation depended on Israel's formal reaction to the Cairo peace plan. He said today the plan would be given to the United States in relay to Israel in a day or two, raising the possibility that it will be presented to Mr. Mondale when he visits President Anwar Sadat tomorrow in Egypt.

Mr. Mondale said that Mr. Vance was in contact with the Egyptians. He did not say whether he expected Mr. Sadat to agree to the London meeting when he visits him tomorrow.

Mr. Begin stressed that Israel was still waiting for Egyptian proposals to match the plan Mr. Begin unveiled in December.

The Egyptian plan is based on Mr. Sadat's suggestion that the occupied West Bank be returned to Jordan and the Gaza Strip to Egypt as the first phase of a settlement and that Israeli security and the future of Palestinians in the occupied areas be negotiated later.

Israeli Objections

Israel has objected to the idea, claiming the return of the lands before negotiations start constitutes preconditions to peace talks.

Mr. Kamel also said today that he was discouraged by President Carter's suggestion yesterday that he might propose compromises to get the talks started again.

He hinted that he thought Mr. Carter should have waited to see Egypt's full proposals before talking about compromises.

Mr. Mondale and Mr. Begin ignored the demonstrators, who were about 150 feet from the doorway where the two leaders stood. Shouts of "Mondale go home!" and "People of Israel live!" at times almost drowned out the words of the two leaders.

Signs reading "No appeasement" and "We won't commit suicide just because it's comfortable for Mr. Carter" were held aloft by the demonstrators.

The Gush Emunim (Bloc of the

Faithful) is an ultranationalist group that is the cutting edge of the movement to settle in the occupied territory they claim is part of Israel.

Mondale Hopeful

Mr. Begin said he assumed there would be contact between Egyptian and Israeli representatives and that he expected to know "more about this during the coming week."

Mr. Mondale cautioned that the London meeting was not a sure thing. "We are hopeful that it will take place. I cannot say yet that it will," he said.

Earlier in the day, Mr. Mondale visited people wounded in a terrorist bombing of a Jerusalem market Thursday. He then called on President Vitzhak Navon, visited the Israeli parliament and flew by helicopter to the Negev Desert to lay a wreath on the grave of Israel's first prime minister, David Ben-Gurion.

and to the Beersheba campus of Ben-Gurion University to dedicate the Hubert H. Humphrey Center of Social Ecology.

"Nothing touches me more personally than the three things joined together here: Education, Israel and Hubert Humphrey," said Mr. Mondale, a protégé of the late Minnesota Democrat.

Reporters asked Mr. Begin and Mr. Mondale about President Carter's statement yesterday that the United Nations and the long-dormant Geneva peace conference are the ultimate fallback positions if Washington fails to mediate the Mideast conflict.

Mr. Begin said only that "we read the statement and we understand it." Mr. Mondale said he thought "President Carter's statement has been misinterpreted here" and that Mr. Carter had not raised

a Geneva conference "as a current prospect."

Mr. Mondale toasted American-Israeli friendship last night and praised Mr. Begin as "a man of genius."

In brief remarks at a reception given by U.S. Ambassador Samuel Lewis, Mr. Mondale spoke of the "rare and unique" friendship between the two countries and said "we are of the same family." The reception, also sponsored by the Israel-American Friendship Society, honored Israel's 30th anniversary of statehood.

Arafat Dismisses Criticism

BEIRUT, July 2 (UPI) — Palestinian guerrilla leader Yasser Arafat today brushed aside U.S. condemnation of Thursday's guerrilla bomb attack in Israel as both impolite and ineffective.

Syrians and Christians Clash

57 Die, 90 Wounded in Beirut

From Wire Dispatches

BEIRUT, July 2 — Syrian peace-keeping troops and rightist militiamen fought pitched battles in the streets of Beirut tonight and a freighter hit by shellfire burned and sank in the port as widespread fighting broke out in the Lebanese capital.

Police and hospital sources reported 57 Lebanese killed and 90 wounded in eight hours of almost continuous gunfire. Syrian casualties were not known.

The state-run radio reported late tonight that Syrian President Hafez al-Assad had ordered Syrian troops to cease fire and residents of the battle zones said the fighting seemed slowed down.

During the fighting, Christian East Beirut was pounded by artillery fire. The headquarters of Lebanon's two main rightist parties and

the Phalangist Party's radio station were also blasted by shellfire. In the Christian suburb of Ain el-Rummaneh, a resident reported: "They are shelling us as if there were no tomorrow."

Pitched Battles

From Ashrafieh, in the heart of Christian East Beirut, residents reported that rightist militiamen fought pitched battles with Syrian soldiers in the narrow, twisting streets.

The Syrians from the bulk of the 30,000-man peacekeeping force which, acting under an Arab League mandate, imposed a ceasefire in Lebanon after a bloody 1975-76 civil war.

Ground fighting was also reported today from the southeastern suburb of Furr al-Shihak, which borders Ain el-Rummaneh.

A rocket battery atop the Rizk Tower, one of Beirut's highest buildings, was set ablaze.

A spokesman for the National Liberal Party, a rightist group led by former President Camille Chamoun, said: "Our headquarters is on fire. It's been squarely hit several times."

Rightists said the headquarters of the Phalangist Party, the highest group, had also been hit, and the party radio station silenced by mortar shells.

Earlier, tanks, multiple rocket launchers and heavy artillery pounded sniper positions at the Christian residential quarter of Ain el-Rummaneh and near the port area, shattering a 17-hour lull.

Residents reached by telephone on the Christian side of the capital reported rockets and shells raining

(Continued on Page 2, Col. 3)

Condemned for Role in Assassination

Arab League Freezing Ties With Aden

CAIRO, July 2 (AP) — The Arab League today condemned Southern Yemen for its alleged role in assassinating an Arab leader and voted to freeze political and diplomatic relations between member states and Southern Yemen.

Foreign ministers and representatives from 16 Arab countries acted after listening to a report by Foreign Minister Abdulhadi Asnag of Yemen on the slaying of President Ahmed al-Ghushni.

The decision, which fell short of Yemen's demand for the ouster of Southern Yemen from the league, capped a two-day emergency meeting called at Yemen's request.

Soviet Reaction

[In Moscow, the Soviet press said today that the Arab League was seeking a pretext for interfering in Southern Yemen's internal affairs. UPI reported. The official Soviet news agency Tass charged that it was Saudi Arabia that was the real source of tension in the southern Arabian peninsula.]

A statement issued after today's meeting said the league decided to suspend economic and cultural relations with Southern Yemen and called on member states to halt financial aid to the Marxist regime in Aden. The decision is not binding on member states.

Expulsion would have required

unanimous approval by all 22 member states. Algeria, Libya, Iraq, Syria and the Palestine Liberation Organization did not attend because of their feud with President Anwar Sadat of Egypt. The PLO is recognized by the league as a full member state.

Southern Yemen had sent a note to the league denying involvement in the assassination. An Egyptian source said the group was convinced that Moscow was behind the trouble.

The Yemeni president was killed in his Sanaa office when a Southern Yemen envoy opened a booby-trapped valise to deliver a letter from President Salem Ruhayya Ali. The explosion also killed the envoy. The key evidence reportedly is an alleged confession by the pilot who flew the envoy from Aden carrying the explosive device.

Assails 'Paralysis'

Somalian Leader Warns West of Soviet Influence

MOGADISHU, Somalia, July 2 (AP) — President Mohammed Siad Barre launched a stinging attack on the West today for its apparent "paralysis" in the face of what he believes is a Soviet master plan to take control of Western energy and raw material sources in the Middle East and Africa.

He also criticized the United States for hesitating over supplying \$15 million in "defensive" weapons to Somalia despite a written pledge that they will not be used against surrounding states.

He also warned that if the United States and other Western states

fail to come to the aid of Somalia he faces "great possibilities" of being deposed by pro-Moscow factions within the country who can argue that this East African nation has nowhere else to turn.

Somalia, a nation of 3 million persons in the Horn of Africa, has been actively seeking U.S. support for the last year to counterbalance the presence of 17,000 Cuban troops, 1,000 Soviet military advisers and a large arsenal of Soviet weapons in neighboring Ethiopia, its traditional enemy.

Sees Kenya as Target

Last November, Somalia expelled Soviet military advisers and broke diplomatic relations with Cuba after the two Marxist states switched their support to Ethiopia. Four months ago an attempt by Somali troops and guerrillas to take over Ethiopia's eastern Ogaden region was foiled by a military offensive under Cuban and Soviet leadership.

Siad Barre pointed to Soviet and Cuban influence in Ethiopia and Angola as well as this month's political upheavals in Yemen and Southern Yemen in the Arabian peninsula, which he said have gone unchecked by the West.

The Russians, he said, are gradually proceeding to their goal "which is to paralyze the United States, paralyze the West."

He described Somalia's claim against northern Kenya as a relic of colonialism in which a bad border was left behind. He offered no solution but predicted that Kenya will be a key target of the Soviet Union.

"There are forces working underground, organized by the Soviet Union, working right now, to . . . take over when the time is ready. It only needs a small action," he said.

U.S. Submarines Stir Ripples of Protest Off Sardinia

To La Maddalena Townspeople, Phantom Warheads Radiate Fear

LA MADDALENA, Italy, July 2 — The USS Lapon, a nuclear-powered attack submarine, slipped away from its berth and headed across the bay for the open Mediterranean.

It had just completed a month of maintenance and refit alongside the submarine tender Gilmore here in Sardinia. In minutes, it would dive and join three other U.S. submarines — and perhaps a dozen Soviet submarines — in the chilly waters hawking each other, drilling, preparing for a war that no one wants.

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maintenance operations of the Gilmore, here in the Maddalena archipelago, remains to some Italians the object of controversy and fear. And the continuing agitation means that there is always a risk that a new government in Rome might have second thoughts about the agreement permitting the operation at this island base.

"Maddalena is essential if we are going to maintain an adequate number of submarines on station in the Mediterranean," Rear Adm. Thomas Malone Jr., commander of U.S. submarines in the Mediterranean with headquarters in Naples, said.

"In the context of our alliances, the base has to be accepted," Fulco Accumio, the Socialist

Arms-Control Questions Raised

Ray Weapons Are Probed By Both U.S. and Russia

By Walter Pincus

WASHINGTON, July 2 (WP) — The United States and the Soviet Union are both actively exploring laser and particle-beam weapons that, if developed, could endanger current arms-control arrangements, according to the Carter administration.

Competition between the two powers in developing these new weapons, particularly lasers, could set off a new phase of the arms race, according to the administration's fiscal 1979 arms-control impact statements. Declassified versions of the statement were released yesterday.

If laser weapons do begin to make a difference in military calculations, the administration report says, "then their deployment could force adversaries to develop countermeasures... and/or to increase the numbers of offensive weapons in order to cope with the improved defensive capability of the laser systems."

Although it has been well known both countries have for years been pressing ahead with laser weapons, the report represents the first time that the Pentagon has publicly acknowledged it is studying the possibility of particle-beam weapons.

Beams Inflict Damage

Under the concepts being studied for those weapons, high-energy beams of electrons, protons or neutrons would be directed at targets to inflict damage. The heavily centered section of the report on these particle-beam weapons says that a primary advantage would be "the instantaneous transfer of energy to a target at essentially 100 percent efficiency."

The report says that it is unlikely that particle-beam weapons "have reached a stage beyond feasibility studies or possibly exploratory development in any country."

In the United States, the report says, such weapons have been "under discussion" for such uses as:

- Ballistic-missile defense, with directed beams used to hit incoming missiles.
- Satellite-borne anti-satellite killers, which would be launched and left in space to attack enemy satellites.

White House Scraps Sale Of F-4 Fighters to Taiwan

By Richard Burr

WASHINGTON, July 2 (NYT) — The Carter administration has scrapped a proposed \$500-million deal in which Taiwan would have been sold 60 F-4 fighter-bombers, officials said.

The officials, who said that the decision was made last week at the "highest levels," described the move as part of the administration's interest in strengthening relations with China. The sale of the fighters to Taiwan, they said, was viewed as running counter to the administration's doctrine of supporting a "strong and secure" China.

In the last month, the administration has dropped its opposition to West European arms sales to Peking and has relaxed its guidelines on the export of advanced nonmilitary equipment.

The decision to scrap the F-4 sale was seen by officials as a further sign that the administration is laying the groundwork for possibly normalizing relations with Peking next year.

Taiwan had been seeking the fighters for more than three years, fearing that its U.S.-supplied arm forces would be obsolete by the end of the decade. Until recently, offi-

- Ship-borne anti-missile weapons.
- Aircraft-borne air-to-air weapons.

The Defense Department's Advanced Research Projects Agency, according to the report, has already carried out "theoretical and experimental" programs on particle-beam weapons and has moved to "a feasibility study" in one classified area.

In discussing the potential arms-control problems raised by these weapons-exploration efforts, the report noted that success of a Navy program to defend against Cruise-type missiles, for example, may "lead to concern" that such weapons could undertake a strategic mission. This, sources say, runs into conflict with strategic arms-control agreements that are based on current weapons-delivery systems such as bombers, submarines and missiles.

Soviet negotiators working with U.S. representatives to come to some common position on radiological weapons have raised the issue of particle-beam weapons, the report says. The Russians want to ban their development as weapons that would "affect biological targets," i.e. as weapons of mass destruction, the report says.

1980s Demonstrations

The report says the first feasibility demonstrations of laser weapons will take place during the 1980s.

The report says laser weapons have "unique advantages compared to conventional gun and missile systems" because energy is delivered to the target at the speed of light.

Along with this instantaneous transmission, the report notes lasers permit immediate correction of aiming error "without a need to lead a target," have a "high fire-power potential per weapon" and "the ability to switch rapidly from target to target."

All three services have active laser programs. The Navy in fiscal 1979 expects to "complete fabrication and factory acceptance testing" of a classified laser project.

In both the laser and PBW fields, the report repeatedly notes that applications of these technologies may be difficult and costly and thus not feasible in all cases.



Fans besiege Richard Nixon on arrival in London, Ky. In Hyden, 8-month-old Jonathan Keen's T-shirt proclaims "I Like Nixon," despite his frown. His mother, Emma, holds him.

Kentucky Crowds Hail Nixon, Roll Out Red Carpet

HYDEN, Ky., July 2 (UPI) — Richard Nixon told a whooping, foot-stomping crowd of 4,000 in Kentucky's Cumberland Mountains today that the nation's leaders should cool their rhetoric and toughen their bargaining with the Soviet Union.

In a sometimes emotional, 42-minute address at the new Richard M. Nixon Recreation Center dedicated in his honor, the former president broke his nearly four-year silence to reiterate his faith in the United States and offer President Carter some veiled criticism.

He declared there "is no nation in the free world except the United States that has the strength and power to stem the tide of dictatorial oppression."

"The question is whether the United States is going to meet that responsibility or shrink that responsibility because of disappointment in the Vietnam War."

He said that the United States and the world is facing a new kind of aggression — by those who come "under borders" rather than over them and promise liberation while delivering repression.

"We have to cool the public rhetoric and

toughen up the private bargaining," Mr. Nixon said.

"Tough talk that isn't backed up by strong action is like an empty cannon," Mr. Nixon said.

In what appeared to be criticism of President Carter's decision to abandon the B-1 bomber and hold up production of the neutron bomb, Mr. Nixon chided "those who think we should not go ahead with an arms program so that the Soviets won't."

Mr. Nixon's speech at the dedication ceremonies for the \$2.5 million recreation center at times had the sound of a football rally, and he was interrupted repeatedly with shouts of approval from the crowd.

Brass bands played "California Here I Come" and a 21-gun salute was sounded as Mr. Nixon went to the podium, borrowed from a chapel, that bore a large cross and a sign that read: "Thanks for Courage under Fire."

It was his first major public speaking appearance since his resignation in disgrace Aug. 9, 1974. He made the most of it by offering advice for all sectors of the nation — from young people to its current political leaders. After his remarks, the crowd gave him a standing ovation, with rebel yells, applause and cheering.

First Document on Major-Party Infiltration

FBI Note Says 3 '68 Democrats Spied

By Jeff Prugh

JACKSON, Miss., July 2 — Three members of Mississippi's delegation to the 1968 Democratic National Convention in Chicago acted as informants who kept watch on fellow state delegates for an FBI counterintelligence program aimed at disrupting the "New Left," according to an FBI teletype message that has been made public.

It is believed to be the first documentation that the FBI infiltrated either of the two major political parties in the United States.

The bureau's decoded internal memo, dated Sept. 5, 1968, reported that three "delegates or alternate delegates" were convention informants. A copy of the teletype document was obtained by the Los Angeles Times from the Mississippi Surveillance Project, a nonprofit lobby for individual privacy rights sponsored by the American Friends Service Committee.

The memo does not identify the informants. One delegate, Kenneth Dean, who was then director of the Mississippi Council on Human Relations, said yesterday that he had agreed to report convention activities to the FBI under the code name "Mr. Magnolia," after having been told by an FBI agent here of a death threat against the late Sen. Hubert Humphrey, D-Minn., the party's presidential nominee.

However, Mr. Dean, who is now a Baptist minister in Memphis, insisted that he was not an informant and that he had turned down an FBI offer of \$100 and payment of travel expenses to Chicago before he left for the convention. He said he learned that the threat against Sen. Humphrey was not serious.

"What the FBI did with me was not improper," Mr. Dean said, adding that he had cooperated with the FBI in investigating murders of civil rights workers in Mississippi.

Remember, Robert Kennedy had just been killed. And we'd heard that the Chicago police said they would beat the hell out of people who had long hair. The offer to pay my expenses was a little offensive to me, but please don't say I was an informant."

Other prominent delegates in the racially mixed, 45-member Loyal Democrats of Mississippi group, which unseated the state's regular delegation in a convention floor fight, included:

- Hodding Carter III, son of a former Mississippi newspaper publisher and now a State Department spokesman.

• Pat Derian, who was then Mississippi's national committee woman and now is assistant secretary of state for human rights and humanitarian affairs.

• Aaron Henry, the delegation chairman and president of the Mississippi chapter of the National Association for the Advancement of Colored People.

• Charles Evers, who was then Mississippi's national committee-

FBI Silent

In Washington, an FBI spokesman said that the bureau would not comment on the memo.

The FBI memo was part of the bureau's then-secret COINTELPRO operation, which began in the 1960s and was directed against left groups such as the Communist Party, the Socialist Workers Party and "black extremists" groups, but also against rightist groups such as the Ku Klux Klan.

In addition, a memo from the late FBI Director J. Edgar Hoover dated May 10, 1968, ordered COINTELPRO to "expose, disrupt and otherwise neutralize various New Left organizations, their leadership and adherents."

The post-convention document on the Mississippi delegation reported that the Jackson FBI office had seven informants at convention activities.

© Los Angeles Times

Judge Makes Unprecedented Ruling

Bell Faces Contempt on Secret FBI File

By Charles Babcock

WASHINGTON, July 2 (WP) — In an unprecedented order, a U.S. judge in New York has ruled that Attorney General Griffin Bell automatically will be in contempt of court if he does not turn over confidential FBI informant files by Friday.

District Court Judge Thomas Griesa denied a motion by attorneys for the Socialist Workers Party that Mr. Bell be jailed. But he left that possibility open if Mr. Bell continues to refuse to comply.

This is the first time that the nation's top law enforcement officer has faced a contempt citation for defying a court order.

Mr. Bell did not comment, but a spokesman indicated that the attorney general would continue to fight, most likely with an attempt to appeal the order.

Compliance Unlikely

Terrence Adamson, Mr. Bell's spokesman, said it was not likely that the attorney general would turn over the informant files by Friday. "We've had that option before," he said. "I know nothing that changes the attorney general's previous statements about the merits of his position."

Department attorneys in New York filed a notice in Judge Griesa's court late last Friday preserving Mr. Bell's right to appeal. Mr. Adamson said. A possibility would be asking the Second Circuit Court of Appeals to delay the contempt citation past next Friday to permit the higher court to consider whether to review it.

The Socialist Workers and an affiliate, the Young Socialist Alliance, are seeking the informant files to get evidence for a \$40 million civil suit, which charges that the FBI illegally disrupted the radical political party by using informants to hurglarize and harass its members.

Judge Griesa ordered that 18 of the files be turned over to Socialist Workers' attorneys. But Mr. Bell refused, saying to do so would break FBI promises to informants that their identities would be kept confidential.

Proposed Lesser Penalty

Mr. Bell's attorneys argued earlier last week that contempt would be too severe a sanction and offered to accept lesser penalties.

But Judge Griesa brushed aside the arguments. "No one can deny that it is a grave step to enforce a court order to the extent of holding the attorney general of the United States in contempt," he wrote in his opinion. "However, the issues of this case are grave in the extreme, involving charges of abuse of political power of the most serious nature."

He called the informant files "a unique and essential body of evidence" and said that their use "must be established as a principle in the concept of this case."

Rhodesian Leader Begins Support Tour

SALISBURY, Rhodesia (AP) — The Rev. Ndabaningi Sithole, one of four joint leaders of Rhodesia's biracial government, left here yesterday for European and African capitals in a bid to win international support for the three-month-old constitutional accord.

He told reporters that he plans to address the European Parliament in Strasbourg, France, before attending the annual Organization of African Unity conference in Khartoum, Sudan, later in the week.

He said that the issues of the case "relate to the most fundamental constitutional rights, which lie at the very foundation of our system of government, the right to engage in political organization and to speak freely on political subjects, without interference and harassment from governmental organs."

Contempt citations are punishable by fine or imprisonment until

the person purges himself by complying with the court order.

In his ruling, the judge pointed out that civil contempt would "it and of itself, be a severe sanction against the highest law enforcement officer in the United States."

But he added that if Mr. Bell does not now comply, the judge will consider requests "for more drastic sanctions."

FBI Gave U.S. Agencies Secret Grand Jury Files

NEW YORK, July 2 (NYT) — The FBI has turned over confidential grand jury information to various government agencies in violation of the law and against specific orders of federal prosecutors, Justice Department officials have disclosed.

John Kenney, administrative assistant U.S. attorney in the Southern District of New York, told of the FBI reports in an affidavit filed in U.S. District Court in Brooklyn. The affidavit opposed a motion to have the contents of the FBI reports made known to defense lawyers in a pending civil suit stemming from the liquidation of the Franklin National Bank.

Grand jury minutes are legally sacrosanct and may be disclosed only through a court order, although grand jury witnesses can disclose their own statements. Unauthorized disclosure constitutes contempt of court.

The FBI, Mr. Kenney said, had a "long-standing policy to send reports to bank-examining agencies, when a bank incurs a loss of more than \$50,000." Within those reports, he said, was grand jury information, to which the agency had access because of its role as an investigator.

The federal prosecutor added that the FBI had confirmed sending out the report and had said that other reports of the same grand jury investigation had been "similarly disseminated pursuant to a policy of the Federal Bureau of Investigation existing at that time."

Mr. Kenney disclosed Friday that the reports had gone to the Comptroller of the Currency as well as to the Federal Reserve Bank, and that the first one also had been sent to the Federal Deposit Insurance Corporation, the plaintiff in the pending civil action against four insurance companies.

"This distribution of the FBI reports," he said in his affidavit, "was conducted without my knowledge or the knowledge of anyone in this office." Mr. Kenney said that he has asked that "the FBI recall all such reports improperly distributed without court authorization."

The Franklin National Bank became insolvent on Oct. 8, 1974, resulting in a \$45-million loss in foreign exchange trading. In the civil suit, the FDIC contends that the insurance company should pay for the losses because they had issued bankers fidelity bonds to insure Franklin National against losses through the fraud of its employees.

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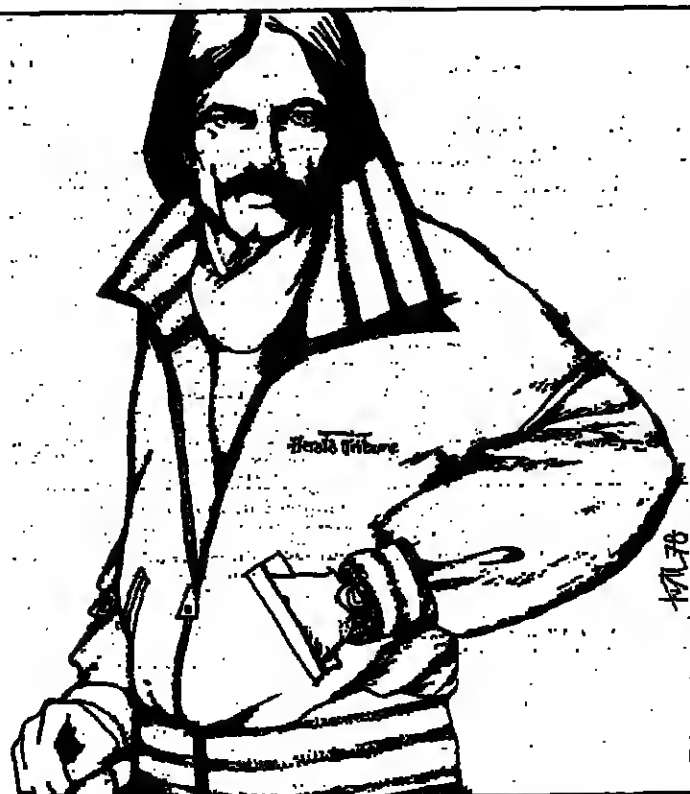
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Five Terrorists Bomb, Burn Florence Court

FLORENCE, Italy, July 2 (AP) — Five urban-guerrilla terrorists burst into the Florence low court headquarters yesterday, tied up a magistrate and set off an explosive device and a number of fire bombs, causing widespread damage and a fire. The police said today that the blast and fire caused no injury.

The police said the magistrate was bound to a chair and left in a small room while the terrorists planted the bombs in the offices and archives of the court. They said that many documents were burned and that the office of the chief magistrate was destroyed by the blast of an explosive charge.

Before fleeing, the attackers painted slogans on the walls and signed them "Fighting Proletarian Squads," a leftist urban guerrilla organization.

Illicit Caviar Dealer To Go on Gulag Diet

MOSCOW, July 2 (AP) — Authorities have broken up a four-man ring dealing in illicit caviar, and the ringleader has been sentenced to five years in a labor camp on a strict diet, a Soviet newspaper reported yesterday.

The Communist Party newspaper Sovetskaya Rossiya said the three others in the scheme, including a junior fisheries inspector, were sentenced to varying terms in labor camps, but their diets were not restricted.

4 Foreigners Killed In Zambia Shooting

LUSAKA, Zambia, July 2 (AP) — Zambian forces killed the American pilot and the three British and Italian passengers of a small plane when they shot it down last week, apparently after it strayed into a restricted military area, sources said today.

They identified the victims as pilot Frank Odham, an Italian named only as Mr. Fachine, his 12-year-old daughter and an 18-year-old British secretary, Elaine Battersby.

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Regime Largely Ignores Foreign Criticism Military Grip Stays Tight in Uruguay

By Juan de Onis

MONTEVIDEO, July 2 (NYT) — Since 1972, when the military ordered that all political and security cases be tried by courts martial, about 5,600 persons in this country of 2.5 million have been court-martialed. That is about one person in every 500.

The charges range from shooting a policeman to painting a slogan on a wall. A result has been that Uruguay's military regime has a reputation as one of the most repressive in South America.

The Inter-American Human Rights Commission wanted to send a mission here, but was refused. This led the Organization of American States to reject Uruguay's offer to be host for the annual OAS general assembly, which ended recently in Washington instead.

In 1972, Uruguay's ensanguined democracy — the country was often called "the Switzerland of South America" — was convulsed by a left-wing terrorist movement called the Tupamaros. There was fear then of the guerrillas, who had murdered military and police officials, kidnapped wealthy ranchers and government officials, and used abduction of prisoners to obtain release of imprisoned extremists. In 1970, the Tupamaros kidnapped a U.S. police adviser, Dan Mitronie, and killed him when their ransom demands were not met.

"We have transferred that fear to them now," says an army colonel. "It is not us but the extremists who are afraid."

Subsistence Levels

Those afraid include persons who supported the leftist presidential candidate in 1972, Liber Seregni, a retired general who is in jail. Anyone who was active in that campaign, or has signed a statement of "solidarity" with Cuba or held office in a student federation or union, is politically suspect. Many, particularly teachers, have been dismissed from state jobs.

Tens of thousands have left Uruguay for some political reasons and many because the economic policies imposed since 1973 have reduced the purchasing power of workers to subsistence levels. Strikes are outlawed and labor agitators go to jail.

Cattle ranchers have transferred herds and farmhands to Brazil. Architects and engineers have left for lack of work, due to reduced budgets for public projects. Doctors and nurses have gone because pay is low at social security clinics.

Despite the restrictions, Uruguay has a high rate of inflation. Prices rose by 55 percent last year and are rising at an annual rate of 45 percent now. Unemployment also is high, with 13 percent of the labor force out of work.

No Dissenting Opinion

"We don't even have economic progress to show for our political repression," said a cattle rancher who had belonged to the National Party, which was regarded as conservative. Like the other major party, the Colorado, it has been silenced by the military.

There is far less information in the press than in neighboring Chile, Argentina and Brazil, which are also under military regimes. No dissenting opinion is printed on any political subject. The monotony of

official propaganda matches that of the Cuban press.

A civilian is president, but Aparicio Mendez, 83, has no power. The decision-making body is the National Security Council, which is dominated by senior generals and the service commanders. Their grip extends to all ministries and state enterprises through military "liaison" officers assigned to each office.

Thousands of Uruguayans have been stripped of their political rights. Congress has been closed and all political parties are banned, as are unions and student federations. A colonel said last week: "We take pride in being the guiding light in the struggle of our Western Christian civilization against international Marxist sedition. Others look to us as an example."

Small Indications

There are some signs of stirring within the military. "Moderates" have reacted to the rejection of Uruguay's offer to be host for the OAS meeting by forcing out the director of political affairs at the Foreign Ministry. Alvaro Alvarez, who had assured them that Uruguay had the votes to obtain the designation despite U.S. opposition.

Another small sign of change was the authorized visit here of New York lawyer William Butler, representing the American Bar Association. He came to discuss four Uruguayan lawyers jailed for "associating with delinquents" in their capacity as defense lawyers. The four were released. The military listed his recommendations on release of uncharged prisoners and other improvements. The recommendations have not been acted on, however.

Since 1976 the United States has suspended all military aid to Uruguay. Economic aid is reduced to a few projects that were approved before the cutoff, and that aid will run out soon.

The U.S. Embassy works quietly on complaints involving individual prisoners, and it seeks to heighten concern here for Uruguay's reputation abroad. But no one expects major change soon.

Obituaries

William Harrah, 67, Hit The Jackpot in Nevada

RENO, Nev., July 2 (AP) — William Fisk Harrah, 67, who started with a dimly lit bingo parlor and created a \$100-million Nevada gambling empire, is dead after undergoing heart surgery.

Mr. Harrah died Friday of heart failure at St. Mary's Hospital, part of the Mayo Clinic in Rochester, Minn. He had undergone surgery Wednesday for repair of an aortic aneurysm, hospital spokesman Norman Nelson said. Mr. Harrah had a similar operation in 1972 to repair what amounts to a weakness in an artery wall.

The tall millionaire was founder and principal stockholder of one of the biggest hotel-casino operations in Nevada, employing about 6,500 persons here, at Stateline on the edge of Lake Tahoe and elsewhere. Other properties included an automobile collection, with about 1,400 classic, restored vehicles. He also had extensive real estate holdings in Idaho.

Mr. Harrah was born Sept. 2, 1911, in South Pasadena, Calif. He started out here in 1937 with a bingo parlor financed with \$500 bor-

rowed from his father, John Harrah, a grocer in Southern California, after running a similar game in Venice, Calif., between 1932 and 1937.

Over the years he steadily expanded his operation and in 1971 turned it into a public corporation.

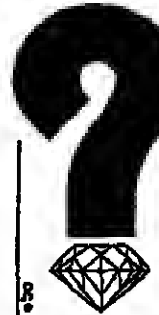
Kurt Student

LEMGO, West Germany, July 2 (UPI) — Kurt Student, 88, a former general in Luftwaffe, died yesterday, the Association of German Paratrooper Veterans said today.

Gen. Student, a fighter pilot in World War I, was commander of the German paratroopers who captured Crete in an airborne operation in 1941.

Aldo Ferraresi

SAN REMO, Italy, July 2 (AP) — Aldo Ferraresi, 75, a noted violinist who performed in the United States, the Soviet Union and in many European countries, died today of cancer.



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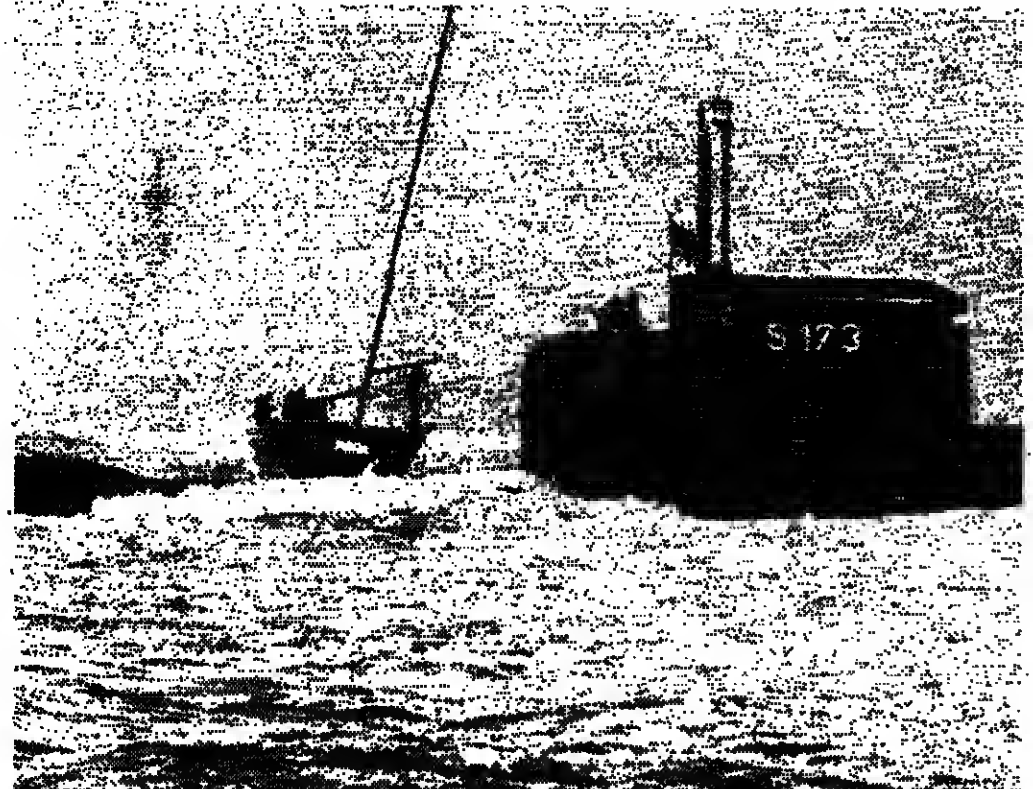
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NEAR MISS — One-ton yacht Sabina nearly hits a West German submarine in the Baltic Sea near Kiel as it moves across the Kiel Week regatta run on Stroller Ground Friday.

Reflecting Cooling of Ties

U.S. School for Latin Military Waning

By Alan Riding

FORT GULICK, Panama, July 2 (NYT) — With most Latin American governments now able to control their internal security threats, interest in sending their military officers to attend counterinsurgency and other courses at the U.S. Army's School of the Americas here seems to be waning.

At the same time, with relations between Washington and the region's military regimes distinctly cool, the Pentagon is more eager than ever to preserve the school as a way of maintaining contact with military colleagues in Latin America.

As a result, while in the turbulent 1960s the school was turning away many applicants, U.S. Army officers are now traveling around the continent trying to persuade army chiefs of staff to enroll their officers and cadets here.

In the past, the continent's armed forces looked to the United States as their military adviser and supplier. Today, with U.S. military links to many Latin regimes closely controlled by Congress and the White House, much of the region is turning away from the United States for military guidance.

This trend is particularly worry-

ing to the U.S. Southern Command, which has its headquarters in the Panama Canal Zone but has military advisory assistance groups — now called offices of defense cooperation — stationed in most Latin American countries. Because of cutbacks in arms sales to the region, Army sources here say that many assistance groups have virtually lost contact with local military establishments.

"The issue is whether, if you sell arms, you're in a position to be a restraining influence or you're providing an aggressive potential," an Army officer said. "Most of us believe it's politically and commercially advantageous to sell armaments because, if we don't, someone else will and we lose our influence."

But the outcry that followed evidence of indirect U.S. involvement in the 1973 Chilean military coup that overthrew President Salvador Allende led Congress to look more critically on military links to Latin America, subsequently ordering a suspension of assistance to the military rulers of Chile and Uruguay.

Then last year, after Congress linked approval of military aid to presentation, by the State Department of human-rights reports on recipient countries, Argentina, Bra-

zil, El Salvador and Guatemala all unilaterally renounced any aid rather than be subjected to such scrutiny.

In other cases where Congress has approved foreign military sales credits to Latin American governments, the State Department has refused to grant export licenses for sophisticated weapons that, in the view of U.S. officials, could either be used for internal repression or might stimulate the conventional arms race in the region.

With 13 Latin American nations under military rule, the Carter administration's pressure on human rights and its campaign in favor of democratic elections have merely widened the political gap between Washington and many capitals in the region.

The most dramatic result has been the loss by the United States of its traditional role as the principal arms supplier to Latin America. France, West Germany, Italy and Israel have all stepped in where Washington preferred not to tread. In addition, Brazil and Argentina are building up a small arms industry with the Latin American export market in mind.

In many cases, governments have turned to Europe or Israel only after being refused sale of a particular weapon by the United States. In the view of Army sources in the Canal Zone, the chill in relations with military regimes has therefore given new importance to the quiet liaison work taking place in the School of the Americas.

Since its foundation in 1946, some 36,000 Latin American military students have passed through. Among its alumni are many officers now ruling their countries: Augusto Pinochet of Chile, Hugo Banzer Suarez of Bolivia, Omar Torrijos Herrera of Panama, Juan Alberto Melgar Castro of Honduras, Carlos Humberto Romero of El Salvador and Romeo Lucas Garcia, the president-elect of Guatemala.

But last year the number of students who attended the school — courses range from three-week management seminars to 42-week command and general staff classes — dropped to 901, compared with an average of 1,700 in each of the previous three years. Until the school started an enrollment campaign, only 700 students were forecast for this year, although now 1,200 are expected. No students have registered this year from Brazil, Chile, El Salvador, Guatemala, Haiti, Mexico or Uruguay.

In an effort to make the school more acceptable to Latin America, Spanish is its official language and a Latin officer has filled the post of deputy director since last year.

Scare Halts U.K. Trains

LONDON, July 2 (AP) — An exploding fire extinguisher, mistaken for a bomb, halted all railroad services for two hours in the Liverpool region of northwest England Saturday night, the state-run British Rail network said.

Thai Birth Curb Crusader Wins Battle of the Pills

By George McArthur

BANGKOK, July 2 — For the past month about 300,000 Thai women have been sweating out the Great Pill Crisis while a crusading birth-control champion, Mechai Viravadya, did battle in their behalf. As often in the past, the cry went up, "Mechai's done it again!"

Mr. Mechai had outflanked the courts, the government and the Boonma Moving and Storage Co. by threatening to get 20,000 women into the streets demonstrating. There is no doubt they would have been angry, since all of them faced unwanted pregnancies. And in Thailand when Mr. Mechai threatens to do something, he is believed.

Mr. Mechai is such a dedicated birth-control advocate that he has pledged to have a televised vasectomy after the birth of his second child. He has been shocking his countrymen for three years with theatrical birth-control displays, blowing up condoms at diplomatic parties and openly talking about sex to schoolchildren.

In the process he has built up a nationwide nonprofit network of subsidized pill distributors in about 8,000 villages with about 240,000 women recipients.

That became a problem for him early this month. The Boonma Co. had discovered back in January that two big truckloads of pills stored for Mr. Mechai's program were missing. He asked for \$85,000 in compensation. The company offered a niggling \$50. Mr. Mechai brought suit. The company brought a countersuit saying that he had not told them the value or the nature of the pills.

Meanwhile, however, the compa-

ny was refusing to release any of the additional pills it was keeping in storage for Mr. Mechai. The story erupted in the local newspapers in the middle of last month when Mr. Mechai publicly warned that 240,000 unwanted pregnancies were just around the corner unless he got more pills by June 30.

"While the men in this country were talking about the World Cup soccer matches, the women were talking about the missing pills," Mr. Mechai said. He fanned the flames by warning of a July baby boom of staggering proportions.

In a pointed threat to the Boonma company's pocketbook he estimated that the unwanted babies would cost something like \$45 million in upkeep over the next 15 years. The implication was that the Boonma Co. might be liable for that bill.

Keeps Pressure Steady

While he stalked government ministries and kept his lawyers busy with legal maneuvers, Mr. Mechai kept the pressure on the Boonma Co. and finally pushed his threat of a mass demonstration — a threat which caused both the government and the company to shudder.

The company caved in Friday and the pills are on the way to the distributors.

© Los Angeles Times

Death Penalty In Maryland

NEW YORK, July 2 (AP) — A new death-penalty law went into effect yesterday in Maryland, coincidentally on the same day Gov. Milton Shapp vetoed a similar measure for Pennsylvania.

Maryland thus became the 32nd state to approve the death penalty while Mr. Shapp became the third Northeastern governor this year to either block or veto to block legislative efforts for such a law. Gov. Hugh Carey of New York vetoed a bill April 11 and Gov. Brendan Byrne has said he will veto a similar law passed by the New Jersey legislature.

The new Maryland law permits the death penalty for murders committed during a robbery, rape or kidnapping, for mass murder, contract murder or the murder of a policeman or prison guard.

Bobby Locke, at the Engadine Golf Club.

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Political Malpractice

The Supreme Court's decision last week that high federal officials can be held personally responsible if they deliberately violate someone's constitutional rights will spawn, no doubt, a host of lawsuits. It may even, as the four dissenters claimed, "dampen the ardor" of some officials "in the unflinching discharge of their duties." But it may also, in the long run, help to restore to government some of the sense of individual accountability that many citizens believe it has lost.

The full effect of this decision will not be measurable for years. The justices merely set out a principle — that high officials, with the exception of those with judicial and quasi-judicial tasks, are not automatically and absolutely immune from damage suits for their official acts. They left the details for later. Some officials, the president among them, may be able to persuade the courts that they should be totally immune. Others will have to litigate the extent of the qualified privilege the court did authorize. That privilege, apparently, grants them immunity from damages except when their acts manifestly exceed their authority or when they discharge their duties in a way they know or should know violates the Constitution.

Except for the initial round of lawsuits this decision will trigger, the new rule should not cause good officials much trouble. The court is not proposing that an official who makes a mistake in judgment be required to pay for it. It is saying that those who willfully disregard the rights of citizens may have to pay — in cash. That distinction should discourage government officials from ordering actions, like the "black bag jobs" of the FBI a few years ago, that clearly violate the law. It may even make them more cautious to direct their subordinates to do things — like issuing derogatory

press releases — that may not violate a law but are on the margin of propriety. It ought not to have much effect on officials who administer laws fairly and intelligently and who worry anyway about the effect of their decisions on the rights of those affected by them.

This same rule has applied to state and local officials since 1974, when the court ruled that the governor of Ohio did not have an absolute immunity for his actions in the Kent State shootings. Whether he was morally liable for the damages inflicted there, the court said, depended upon the facts of the case. It would have made "no sense," as the court now says, to require a state governor to defend his actions in that manner but to allow a federal Cabinet officer in the same situation to avoid having to defend himself by claiming immunity. As Justice Byron White wrote, "Surely federal officials should enjoy no greater zone of protection when they violate federal constitutional rules than do state officials."

These decisions, along with others this year involving local governments and members of Congress, have substantially expanded the opportunities for citizens to collect damages when they are abused. In a way, this is part of the answer to the complaint that governments have grown so large and bureaucratic so faceless that the average citizen never has a chance. The court clearly sensed that. While these decisions could result in a bonanza for those who sell liability insurance — call it "political malpractice insurance," if you like — they also guarantee to the citizen whose rights are invaded that someone in government may be personally accountable for things that go wrong.

THE WASHINGTON POST.

International Opinion

The Bakke Ruling

Last week's Supreme Court majority ruling in the United States on the Bakke case would seem to set this country a good example, since it shows a proper understanding of the susceptibility of both races. Mr. Bakke is a white would-be doctor who claimed his civil rights were violated by a medical school's admission scheme designed to help blacks. Although his qualifications were higher than any of the black candidates, he was excluded to make place for one of them.

Needless to say, this case aroused resentment among many American whites, and the Supreme Court, very properly, has ruled that Mr. Bakke should now be admitted to the medical school. But it has also ruled that in "special admissions" programs race could be a consideration. Freely interpreted, this would seem to mean that when a black and white candidate have equal qualifications, there may be a case for allowing race to determine the choice in favor of the black.

Needless to say, again, not all civil rights groups have accepted this ruling as fair to both sides. But some have, on the grounds that it goes as far as can reasonably be expected to redress the former imbalance. In the old days, where qualifications were equal, it would usually have been the white man who got the place, job, etc. What the Supreme Court is saying now is that it is the black man's turn.

So indeed it is, as much here as to the United States. This degree of reverse discrimination makes good sense. Wherever colored people can be helped without lowering standards there is a strong case for doing so. What cannot be tolerated is a system of "affirmative action" which denies natural justice to the whites.

—From the Sunday Telegraph (London).

Taxing the Tourists

The striking thing about the foreign visitors now among us is their joylessness. As the tourist crocodiles shuffle their way round St. Paul's Cathedral or Edinburgh Castle or Anne Hathaway's cottage — bullied by coach-drivers, dragged by guides, prevented by their own numbers from getting any kind of reflective look at what they have come so far to see — they have evident difficulty in remembering why they chose to spend all this money in the first place. The remedy is simple: make them spend more. It would thin them out, to their own relief. They would recover their sense of occasion; and those of us who live near the tourist shrines would recover the use of our streets and buses.

One way would be to upvalue sterling. Our present exchange rate makes the United Kingdom one of the cheapest countries in western Europe. Clothes, for example, cost the visitor from France, Germany or Italy half as much as he would pay at home.

We give away a part of our wealth. But a currency revaluation, desirable as it is, would not achieve the full effect needed. The more direct means would be a tourist tax.

Skeptics argue that tourists already pay their share of tax — rates on their rooms, VAT [value-added tax] on what they buy; and this in an export industry. But export industries deserve to be tax-free only where customers hang back; and tourism has no such problem.

—From the Sunday Times (London).

Yemeni Turbulence

The deaths of the presidents of Yemen and Southern Yemen within days of each other denotes political turbulence on a scale exceptional even by troubled Yemeni standards. It reflects that these two poor countries are at the heart of tensions affecting the conflicts between East and West in Africa and the Arabian Peninsula and the Indian Ocean. The replacement of President Salem Robaya Ali in Aden by supporters of the hardline party, must strengthen the position of the Soviet Union in the area.

Progress toward Yemeni unity is halted. Saudi Arabia will be more convinced that the encirclement it dreads by radicals is speeding up and that, more than ever, it needs the F-15s promised. The Soviet foothold in Aden, now reinforced, could hardly be a more strategic position. For between Southern Yemen and Ethiopia and the rest of Africa lies only the narrow width of the Bab el Mandeb Strait. These control the entrance to the oil lanes which eventually pass through the Suez Canal, and the access to Israel's southern port of Eilat. To the east, the Soviet Union now has an assured port of call from which to patrol the Indian Ocean and the entrance to the Gulf. Robaya Ali's replacement effectively provides a strengthened link for Moscow between the conflicts in both Africa and the southern regions of the Middle East.

—From the Financial Times (London).

Mr. Harold Macmillan, in a rare public utterance last week, compared the recent expansion of Soviet power with Hitler's conquests of the Thirties, and confessed to a "horrible feeling" that the same spirit of appeasement was again present in the West.

The current British reaction seems to be even worse, namely one of total indifference. The assassination of the relatively moderate president of Southern Yemen, for example, and the consequent increase in Soviet control there, has been simply passed over by the British government, despite the fact that what is at stake is the former British colony of Aden and its strategically vital Red Sea coast line.

—From the Sunday Telegraph (London).

In the International Edition

Seventy-Five Years Ago

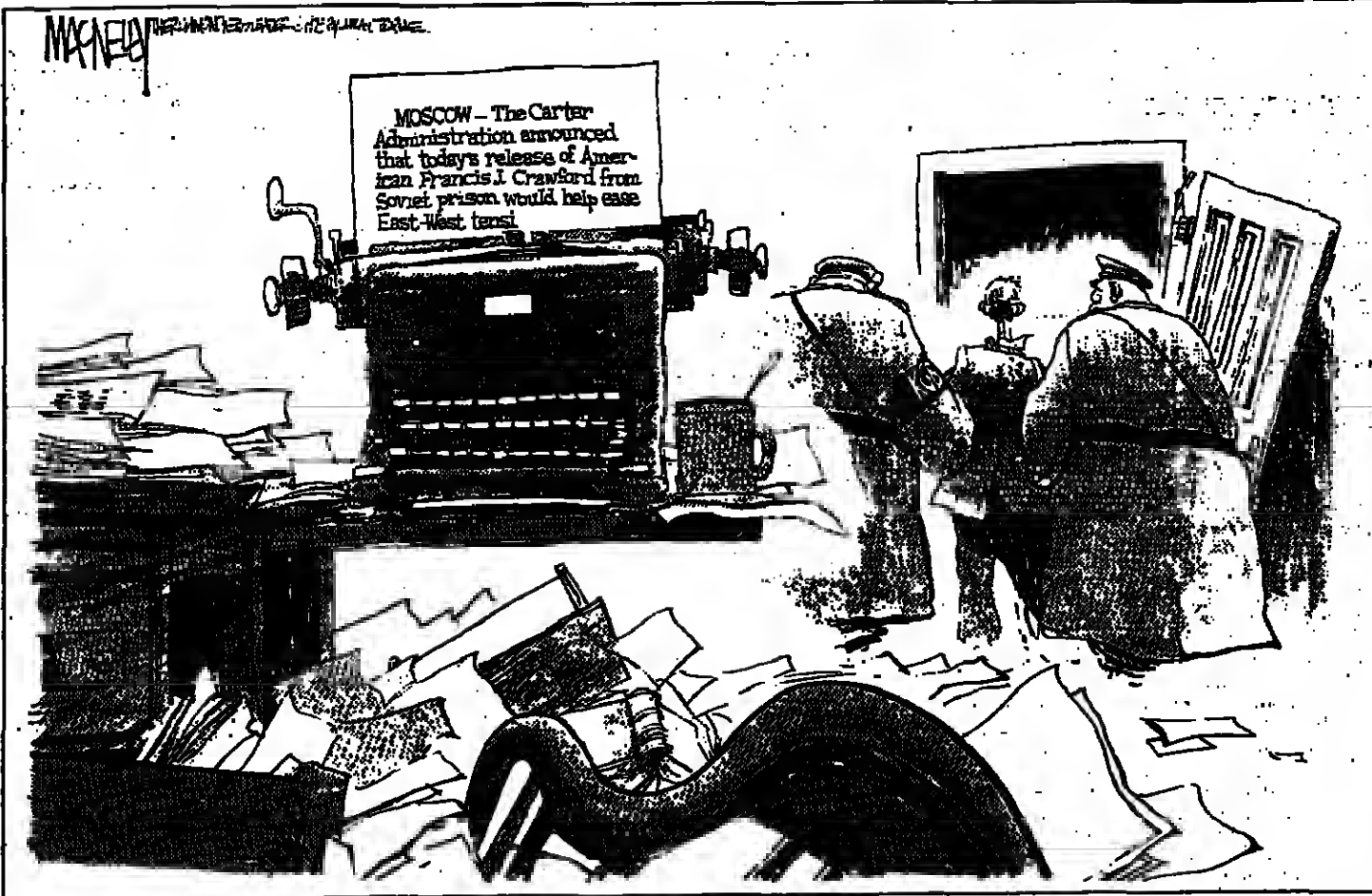
July 3, 1903

DENVER — Mr. F.X. Schoonmaker of the Whitney Electric Co. of Chicago arrived here yesterday to set up an experiment which will test Prof. Whitney's theories on electricity. He will transport a 13-inch cannon to the top of Pike's Peak and fire a spherical magnet with 20 miles of wire attached, vertically. Prof. Whitney believes that, once beyond the pale of the law of gravitation, the magnet will be drawn into the electric sea of space; the wire will hold it and draw from above limitless supplies of electric power.

Fifty Years Ago

July 3, 1928

NEW YORK — Four members of the New York City police force were dismissed from their units and reduced to the ranks after quantities of drugs were found in their personal lockers, police sources said yesterday. An anonymous letter sent to police headquarters alleged that members of the narcotics squad were selling confiscated drugs caught the police commissioner to initiate an investigation which turned up the drugs. The officers involved said that they were holding the drugs in their lockers as evidence.



Healey and Labor's 'Temporary' Survival

By William F. Buckley Jr.

LONDON — Mr. Denis Healey, the chancellor of the exchequer, is a man of florid features and style who serves as the economic front man for the government of James Callaghan. Recently Mr. Healey was the vehicle of an attempt by the Conservatives to muster a vote of no confidence in order to precipitate a general election. The device, like so many British traditions, is quaint. The formal motion was to reduce the salary of Mr. Healey by 50 percent. This, in the United States, would be frowned upon as a bill of attainder. But there is, of course, no written constitution in Great Britain, which disposes of the theoretical problem. As a practical matter, reducing the salary of the chancellor of the exchequer by 50 percent would hurt the government more than the intended victim, thanks to a generation of socialist progressivism in the tax structure. But in any event, the whole business was symbolic and Labored through by five votes, thanks to help from disparate sources.

Temporary

But it is generally thought that the survival of this Labor government is only temporary. You see, Mr. Healey came through with a budget artfully designed to bring economic benefits to maturity along about October; a decrease in the inflation rate (it is already down to 9.5 percent), a remission of taxes to the lowest wage earners, and a general bolstering of the pound as a result of the summer's harvest of North Sea oil.

Mr. Healey, in action, is a truly wonderful performance. Ask him why the British worker is relatively unproductive and he will talk about the advantages of the trade union system in West Germany. Ask him whether it follows that the British trade union system is unsatisfactory, and he will tell you that in a free society, men have the right to organize. Ask him whether he approves of U.S. anti-monopoly laws and he will tell you that he does not wish to opine on U.S. institutions.

Should there be reform in the British trade union laws? Such was proposed by Mr. Wilson's government 10 years ago, implemented (in part) by Mr. Heath's government, and repealed by the present government? No — because the trade unions did not feel they could live with those laws. Does that mean the trade unions are preemi-

nent over Parliament? No, it means that British socialists are reasonable men, trying to live in the real world, unlike Conservative schematizers. After all — isn't it true that Mrs. Thatcher, the leader of the opposition, has failed to promise to re-enact those labor union reforms? Doesn't that prove his point?

In a way it does. The trade unions do indeed have something of a veto power over Parliament, and Mrs. Thatcher, a prudent woman, is unlikely to challenge it going in. More likely she will wait until her government consolidates in public esteem — if indeed she is destined to win — and then attempt her reforms gradually. She will not reform the trade unions in the same sense that Franklin De-

lano Roosevelt would not send U.S. boys to fight in foreign wars.

A Prediction

A shrewd Conservative MP who has been many years in the House tells you matter-of-factly that the Conservatives are going to win. He makes it more fun by saying that not only are the Conservatives going to win the polls — as they predicted in 1970 — will once again predict that Labor is going to win. One searches for reasons why this should be so. Thanks to Mother Nature, who gave the British the North Sea oil and provided capitalism to discover it for them, things in England are not as strained as they were a year ago. But the Brit-

ish have had to pay dearly. Since 1975, British real income has been reduced by 30 percent. Now it is creeping back up, along with the value of the pound. Only unemployment lingers, unbudgeable at 6 percent. Why will the British turn out Labor?

I suspect that if there is a reason, it traces, really, to the dissipation of political faith. One has the feeling, listening to Mr. Healey, that one is listening to socialism's wittiest, most resourceful, and most eloquent man, and that the whole business of running England is merely the occupation he chose. Mrs. Thatcher, by contrast, is yearning to do something for her countrymen and palpably believes that she knows how to go about it.

A Voice for Arab-Americans

By Hisham Sharabi

WASHINGTON — For the last 30 years, the principal U.S. constituency addressing itself to United States Middle East policy has been the American-Jewish community. Its role, understandable in the light of Jewish experience, has been played vigorously, occasionally noisily, and with almost total success: Americans have come to see the Arab-Israeli conflict largely from a pro-Israel point of view.

The American-Jewish perception of the Arab-Israeli conflict, as well as its definition of U.S. interest in the region, has been presented as the only valid one. Differing opinions have been suppressed; criticism of Israel has been denounced as anti-Semitic (an accusation with a chilling effect equivalent to being called "soft on Communism" during the McCarthy era). New voices are now being heard that reject a one-sided explanation of U.S. interest and goals in the Middle East and that are not likely to be silenced by accusations of anti-Semitism. One of these is the voice of the Arab-Americans.

Whether their forebears came from Lebanon three generations ago, or they themselves are recent immigrants from Yemen or Palestine, Arab-Americans are Americans above all. The interests of their new homeland are foremost in their minds. Most are of Lebanese or Syrian ancestry, and are members of Catholic or Orthodox denominations, although there is a

substantial Moslem community. There are between 2 million and 3 million Arab-Americans living in the United States today, with major concentrations in Detroit, Los Angeles and Chicago.

During the last few years, a number of factors have made Arab-Americans more visible and outspoken. One was the credible showing of Arab armies in the 1973 war, followed by the oil embargo, which showed the world that the Arabs were not to be taken for granted. Arab-Americans, especially the younger generation, began to discover their roots and an identity in which they took pride.

Another factor was growing resentment at negative images of Arabs in the United States. They were one of the few groups still singled out for ethnic and cultural stereotyping, with particular emphasis on a leering figure in desert robes, either squandering money or holding the West hostage over oil, or both. How would Jewish-Americans react to a headline saying "Jews Buy Bank in California"?

Finally, Arab-Americans discovered that they have an important role to play in influencing U.S. policy toward the Arab world. They regard themselves as a bridge between the United States and the Arab world, a natural "go-between" community. They began to organize and today there are several Arab-American organizations active on the national scene. The

National Association of Arab Americans is the principal political-action organization. The Association of Arab American University Graduates is the principal academic and cultural group. There are numerous charitable groups helping Lebanese and Palestinian refugees.

There are now six Americans of Arab ancestry in Congress. Witnesses representing the Arab-American perspective on Middle East policy are now regularly invited to testify before Congress. A lawsuit filed in federal court in Washington by the National Association of Arab Americans alleging Israeli violation of the Arms Export Control Act by using U.S.-supplied weapons in its invasion of southern Lebanon in March may have been a factor in Israel's recent pullout of its troops from Lebanon. A year ago, Arab-Americans made a national issue out of an ethnic slur in public by a federal trade commissioner against consumer advocate Ralph Nader, who is of Lebanese ancestry.

The United States is now experiencing dramatic changes in its relationship to the Middle East, because of the Arab world's economic and strategic significance, and changing perceptions of the moral issues involved in the Arab-Israeli conflict. Israel no longer has an exclusive claim on the U.S. conscience. Arab-Americans support President Carter's willingness to address the Palestinian issue but are uneasy about administration backtracking in the face of Israeli lobby pressures. The Arab-American community is deeply troubled by continuing violence in Lebanon and is urging a more active U.S. role. On balance, however, Mr. Carter's efforts to articulate the U.S. interest in the Middle East are winning friends in the Arab-American community.

Arab-Americans, by and large, are resigned to a special U.S. relationship with Israel, but they do not accept the exclusion of normal and healthy U.S. relations with the Arab world. At this historic turning point, when U.S. relations with the Arab world are entering an important new phase, Arab-Americans have a special role to play. Now that they have found their voice, it is fortunate that the United States is finally in a listening mood.

Hisham Sharabi is president of the National Association of Arab Americans. He wrote this article for The New York Times.

both before and after the abortion. The wording of the prayer itself is in a presumptuous vein as it equates man, the destroyer of life, with God, the giver of life. It is contrary to all Old and New Testament tradition and teaching, which held human life very sacred — in part as a reaction to the human sacrifices required of believers in many of the ancient polytheistic cults. The prayer endeavors to legitimize this "Man-God" creature who cuts off life, by asking for God to look "in kindly judgment on this decision."

The bishop attempts to justify his prayer by saying that abortion places doctors and nurses in a moral dilemma. If such be the case, they need only not perform the operation if it is contrary to their beliefs.

DR. HENRYK W. TAJRA, Paris.

Abortion 'Prayer'

I cannot think of a more disgraceful parody of a prayer written in recent years than the one concocted for use after abortion by Bishop John Taylor (IHT, June 24-25). If it accepts the prayer into the yet-to-be-published Alternative Services Book, the Anglican Church will have had a new spiritual low.

More liberalized abortion laws have done a great deal of good in relieving the mental and physical anguish caused by unwanted childbirth. Nevertheless, abortion should never be regarded lightly and the moral perplexity that might arise due to this taking of life cannot be erased by as glib a palliative as the bishop is proposing. Rather, the church should give more devoted, meaningful and personal long-term pastoral care to the mother,

Biko's Death

K.H. Hechli criticizes Anthony Lewis for protesting too much for "the questionable death of one man in South Africa. Steve Biko, when 'millions' have been killed or have died in Cambodia. The press now protests vehemently against the Cambodian massacres, but it does not mean that other murders should not demand protests. Biko was the leader of the liberation movement of 20 million blacks in South Africa and he was not the only victim of white oppression. Seven hundred persons — most of them children — were killed there two years ago by the police and 150 blacks have been executed in South Africa in the past year.

ROBERT MAJOR, Vienna.

U.S. Spirit: Shunning Politics

By Joseph Kraft

LOS ANGELES — The beaches and the mountains offer, this Fourth of July holiday, an even more telling symbol of the national spirit than usual. For Americans are "in" themselves these days. To a rare degree we have turned our backs on politics and public affairs. While that may not bode so well for the long term, right now all the most heralded troubles seem somehow to be taking care of themselves.

President Carter, of course, is the best sign of the flight from politics. Not only did he reach the White House by running against Washington, but once in office he has had to scale down his plans for government action. Very little of his social legislation is getting anywhere, and on his two most important domestic problems — energy and inflation — he has been forced into the position of letting the private sector do most of the work.

Here in the state of sun and sun, the turning away from public affairs is particularly striking. The landslide vote in favor of Proposition 13 cutting property taxes and limiting all other taxes says one thing very loudly. By a huge majority, people want to spend their money themselves rather than give it to the government. Gov. Jerry Brown may be liberal on minorities, nuclear energy, labor and the death penalty, but when it comes to talking up the private sector he sounds like Ronald Reagan.

The historians agree with the politicians in their assessment. Morris Dickstein, who in "Gates of Eden" wrote a fine and unusually sympathetic account of the 1960s, said of the present decade in an interview published by Encounter magazine: "What's happened today in the United States is that essentially it's been depoliticized. We're now into one of our unpolitical phases . . . and people are not using politics so much as an avenue of personal fulfillment."

Because I depend on politics for material to write about, I cannot adopt a wholly benign view of what has happened. But even self-interest flags before the strong evidence that some of the harder problems tend to take care of themselves.

At home the economy has long seemed poised between recession and inflation. But heavy consumer spending, particularly for cars and homes, has sustained recovery and expanded job openings at a record pace. Signs now suggest that consumer spending is tailing off — just enough, perhaps, so that the country will be spared both recession and high inflation this year.

Abroad, the Communists seem to be gaining ground at a great rate. But no one, seriously believes, the Russians are coming over the top in Europe, and in Africa the Russians may as easily be sorry as glad for being deep into Angola and Ethiopia.

In Asia, the dominant motif is competition between Russia and China, now expanding into tension between China and Vietnam and between Vietnam and Cambodia. The domino theory, invented by the hawks to justify a continued U.S. presence in Vietnam, has been stood on its head. The U.S. absence from local conflicts there works for us against the Communists.

Even that rheumatism of world affairs, the Near East, is not aching too painfully now. Despite the toughness of Prime Minister Begin and the supposed weakness of President Sadat, the Israelis and the Egyptians are talking. They are apt to keep talking if the United States position, as at any time since Mr. Carter came to office, does not get into the act too heavily.

Bright as the present may seem, however, the clouds are not going to stay away forever. Policy counts in economics. Unless the government works to curtail big wage and price increases, inflation will take off. The nonpolitical actions necessary to fight inflation — that is, monetary restraint by the Federal Reserve System — dampen spending and investment. So unless there is a tax stimulus, there will be a recession, perhaps a bad one, sometime soon.

As to foreign policy, the United States and the Soviet Union cannot keep playing blind man's bluff indefinitely. At some point the absence of consensus in this country and the leadership issue in the Soviet Union will be resolved. They will both be resolved adversely unless Washington takes a position which makes assertiveness risky for Moscow and accommodation worthwhile.

So as we take our ease this holiday, there is reason for a tiny glimmer of doubt. This far moment, in which doing nothing seems to be the best prescription for everything, cannot possibly linger long.

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BUSINESS

FINANCE

Euromarket

Summer Doldrums Mask Doubts About Currencies, Interest Rates

By Carl Gwartz

PARIS, July 2 (HT) — Summer could not have come at a more convenient time for the Eurobond market this year. What better explanation for its lethargy?

Although there are a good number of issues on offer, the market lacks conviction. And while most analysts write this off to preoccupation with the annual vacation, some see it as symptomatic of the confusion (about the direction of interest rates) and lack of confidence (in the dollar) engulfing investors and immobilizing investment decisions.

While some bankers insist that "the dollar looks cheap" and "now is the time to buy," an equal number are much less sanguine. "The differential shows the skepticism," says the chief trader at a major U.S. bank referring to the widening gap between interest rates available on dollar and Deutsche mark deposits. This spread on three-month Eurodeposits is now 5 3/16 percentage points — the higher end of a gap which has rarely exceeded 6 points. Nevertheless, this has not had the expected result of attracting funds back into the dollar.

Rather, the value of the dollar has been slowly eroding against the mark. Equally striking is the fact that the dollar is weakening at a time when, for seasonal reasons, it should be rising. The vacation period is traditionally the weakest for the mark as tourist spending abroad represents West Germany's largest single deficit item in its current-account calculation.

Were it not for this, the trader maintains, the dollar would currently be even weaker against the

mark. He sees the dollar falling to below 2 DM once this pressure on the mark is lifted.

Investors, however, are much more cautious. There is no obvious rush to get into DM assets as there was several months ago. Weighing on both the DM and dollar sectors of the bond market is the uncertainty about where interest rates are headed.

Given the sluggish state of the German economy, a reduction in the Bundesbank's discount rate would appear to be called for. But the overly rapid expansion of the money supply resulting from extensive foreign-exchange support operations earlier this year has focused official attention on containing this inflationary threat. The central bank has resorted to technical adjustments to maintain domestic liquidity and keep interest rates from rising, rather than cut its own lending rates, but doubts persist about its ability to succeed.

The one "boom" area is the DM market for Japanese convertibles, giving investors a DM-denominated asset convertible into a yen-denominated asset. Sanyo Electric's 150 million DM of 10-year bonds were priced at par after the coupon was cut to 3% from the anticipated 3 1/2 percent. The conversion price was set at 295 yen and a premium of 7.5 percent over the latest quote for the stock in Tokyo.

Izumiyama Co. is currently offering 50 million DM of eight-year convertibles and Ricoh is scheduled to come to market with a 70-million DM convertible at the same time it

U.S. Commodities

CHICAGO, July 2 (AP) — The outlook for grain supplies brightened this week, lowering prices for wheat, corn and most soybean futures. Only the nearest soybean deliveries, representing last year's crop, struggled higher on the Chicago Board of Trade. That was attributed to the prospect of lower stocks at the end of the marketing year, which runs through August.

The overall supply picture, however, improved on several fronts. Wheat prices suffered from the usual harvest-time doldrums as farmers sold last year's wheat to make room to store the winter crop they are reaping now. But the dominant feature was the pending release of the Department of Agriculture's acreage report.

Trading Estimates Up

As the week progressed, traders upped their estimates of how many acres of corn and soybeans farmers had seeded. And accordingly, prices declined. But the report contained some major surprises. It was released after Friday's session. Specifically, it said the nation's farmers had planted 64.3 million acres of soybeans and 78.7 million acres of corn.

The soybean acreage, which was 9 percent higher than last year's, exceeded even the highest trade estimate. And although farmers planted 5 percent less corn than a year ago, the figure was 1.2 million acres more than average guesses. Technical liquidation and scaled-down activity ahead of the holiday weekend also contributed to the downturn.

The losses in corn futures ranged from 5 to 9 1/2 cents, as the July contract finished at \$2.48 a bushel. The spot soybean delivery advanced about a nickel to \$6.85 a bushel, but 1978 crop contracts slumped 1 1/4 to 5 cents.

Wheat Prices Lose Ground

Wheat prices recouped some lost ground, partly because of potential yield problems arising from premature ripening in some areas. Still, wheat futures gave up 4 1/2 to 7 cents and ended at \$3.14 1/4 a bushel in July contracts. Meanwhile, live cattle futures staged their best weekly rally since prices began to topple from record highs in late May.

In New York, trading in precious metals was quite light although prices plummeted.

offers 30 million DM of straight debt.

The city of Kobe, benefitting from the guarantee of Japan and spurred by the terms set on a competing issue for Austria, is expected to sell its 100 million DM of eight-year, 5 1/2 percent bonds at par instead of the anticipated 99 1/4. Austria issued 100 million DM of 10-year paper at par carrying a coupon of 5 1/2 percent, although placement reportedly was not easy.

A number of small private placements were arranged during the week: The European Resettlement Fund issued 20 million DM of eight-year, 6 1/2 percent notes at par; South African Railways issued 25 million DM of five-year, 8-percent notes at par, and the Austrian state holding company sold 20 million DM of seven-year, 5 1/2 percent notes at par.

The next issue scheduled to come (Continued on Page 11, Col. 1)

The U.S. Economic Scene

Signs Point to Lull in Consumer Spending

By Thomas E. Mullany

NEW YORK, July 2 (NYT) — When economic forecasters outlined their reasons for expecting the U.S. economy to slow down during the second half of this year, they invariably listed with a prediction of reduced consumer spending.

Most forecasters saw a less voracious public appetite for new cars, housing and other big-ticket items for at least six months because of continuing inflation — especially in food, fuel and other necessities — eroding confidence and rising interest rates.

The first signs that the consumer sector may be fading appeared in the closing weeks of the booming quarter that ends Friday. Through most of the 39 months of the current economic expansion, consumer expenditures have been the brightest spot in the economic picture, accounting for more than 60 percent of the gross national product.

Although auto sales were still scoring strong gains in recent weeks, some analysts attributed part of the high volume to fears of increased car prices to the months ahead — a buy-in-advance attitude, rather than evidence of an underlying growth in demand.

Public Purchases Tapered

But in other consumer-spending areas — housing, appliances and general retail sales — there seemed to be a definite tapering of public expenditures since the middle of May.

The lull may turn out to be another of the temporary pauses in consumer enthusiasm that have developed several times during the

1975-78 recovery. But those who believe that the consumer caution this time will be more lasting and deeper point to the changed conditions that exist in the aging economy and in the strained financial status of many consumers.

In predicting a significant slowdown for the U.S. economy during the next two years — from the estimated 9.1 percent real growth of

this second quarter to between 3 and 4 percent through 1980 — the Wharton School's Econometric Forecasting Associates said two weeks ago that a decline in housing activity would be the "major culprit."

An analysis by Donaldson, Lufkin & Jenrette noted the slackening of net mortgage extensions in the last six months, and suggested that

if the downturn is sustained, "it may well be signaling a broad deterioration in total housing demand and declines in new-home sales will not be far behind."

Shakeout Discounted

Neither Wharton nor other leading forecasters predicted a shakeout in housing to match the collapses of the 1973-75 or 1966-67 periods. What is expected is a gradual but steady decline in new housing starts until 1981, accompanied by much more modest increases in total residential investment than were seen in the last few years.

Many analysts believed that the peak of this housing cycle was reached in the fourth quarter of last year, when the annual rate exceeded 2 million units. The rebound this spring after the winter slide returned the level of home building to that elevated level, but the rate is now expected to start heading downward.

Chibank estimates that the annual rate of starts will dip below 2 million to between 1.7 and 1.8 million by the fourth quarter of this year, then rise to 1.5 million by the end of next year and to 1.3 or 1.4 million in 1980, with the trough around New Year's Day of 1981.

If that trend develops, it would mean a decline of about 40 percent from last year's peak — a sharp decline, though less than the 60-percent plunge during the 1973-75 recession and the 44-percent decline in 1966-67.

There is general agreement on the reasons for the impending decline in housing: high prices for new and existing homes, rising mortgage rates and the unavailability of mortgage money in many (Continued on Page 11, Col. 1)

New York Stock Market

By Varnig G. Varnig

NEW YORK, July 2 (NYT) — The nation's major commercial banks raised their prime lending rate Friday by a quarter-point to 9 percent and, while the increase was not unexpected, it caused an erratic stock market to sag a bit further.

The Dow Jones industrial average last week slipped 4.07 points to 818.95. Weakness in the dollar against other currencies was a factor in sending prices lower.

Volume on the New York Stock Exchange fell to 121.57 million shares from the previous week's 138.24 million.

A portfolio strategist for a brokerage firm believes that the timing of the peak in interest rates holds the key to the market's course. "Wall Street is divided into three camps currently," he said. "The bulls expect interest rates to peak by early autumn of this year accompanied by a 'soft landing' in the economy. That means a slowdown but no real recession. The bears, on the other hand, see interest rates marching up into 1979 and a 'hard landing' resulting from a credit crunch. Then there are people who fall somewhere between the two camps."

Another analyst noted that the relatively high premiums commanded by call options indicates that option traders think it wise to buy. This represents almost the mirror image of conditions prevailing before the market rally started in mid-April, when premiums on options were virtually nonexistent.

The most noteworthy development in the fixed-income sector was a Treasury sale of 15-year bonds on Wednesday. This auction of a \$1.75 billion issue carried an interest rate of 8 percent, the highest coupon the Treasury has put on a long-term bond issue. The sale brought an average yield of 8.63 percent on the most gilt-edged security the nation — or any corporation — has to offer. These securities are free from state and local income taxes.


Over-Counter Market

| Sales In | | | | | | Sales In | | | | | | Sales In | | | | | |
|--|------|-------|-------|-------|-------|------------|------|--------|--------|--------|-------|----------|------|-------|--------|--------|---|
| 100s | High | Low | Last | Chg | | 100s | High | Low | Last | Chg | | 100s | High | Low | Last | Chg | |
| NEW YORK (AP) — Weekly Over-the-Counter stocks giving the High, low and last bid prices for the week with the net change from the previous week's last bid prices. All quotations supplied by the National Association of Securities Dealers Inc. are not official transactions but are representative of the market prices of which these securities could have been sold. Prices do not include regular market, mark-down or commission. | | | | | | | | | | | | | | | | | |
| ABEInc | 154 | 8 1/4 | 7 3/4 | 7 3/4 | - 1/4 | AlexBld120 | 268 | 17 | 16 1/2 | 16 1/2 | - 1/2 | ArmNcl | 1 | 169 | 12 1/2 | 12 1/2 | - |
| ABEInc | 154 | 8 1/4 | 7 3/4 | 7 3/4 | - 1/4 | AlexInc25e | 110 | 18 1/2 | 18 1/2 | 18 1/2 | - 1/2 | ASpecInt | 883 | 4 1/4 | 4 1/4 | 4 1/4 | + |
| ABEInc | 154 | 8 1/4 | 7 3/4 | 7 3/4 | - 1/4 | AlexInc25e | 110 | 18 1/2 | 18 1/2 | 18 1/2 | - 1/2 | ASpecInt | 883 | 4 1/4 | 4 1/4 | 4 1/4 | + |
| ABEInc | 154 | 8 1/4 | 7 3/4 | 7 3/4 | - 1/4 | AlexInc25e | 110 | 18 1/2 | 18 1/2 | 18 1/2 | - 1/2 | ASpecInt | 883 | 4 1/4 | 4 1/4 | 4 1/4 | + |
| ABEInc | 154 | 8 1/4 | 7 3/4 | 7 3/4 | - 1/4 | AlexInc25e | 110 | 18 1/2 | 18 1/2 | 18 1/2 | - 1/2 | ASpecInt | 883 | 4 1/4 | 4 1/4 | 4 1/4 | + |
| ABEInc | 154 | 8 1/4 | 7 3/4 | 7 3/4 | - 1/4 | AlexInc25e | 110 | 18 1/2 | 18 1/2 | 18 1/2 | - 1/2 | ASpecInt | 883 | 4 1/4 | 4 1/4 | 4 1/4 | + |
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| ABEInc | 154 | 8 1/4 | 7 3/4 | 7 3/4 | - 1/4 | AlexInc25e | 110 | 18 1/2 | 18 1/2 | 18 1/2 | - 1/2 | ASpecInt | 883 | 4 1/4 | 4 1/4 | 4 1/4 | + |
| ABEInc | 154 | 8 1/4 | 7 3/4 | 7 3/4 | - 1/4 | AlexInc25e | 110 | 18 1/2 | 18 1/2 | 18 1/2 | - 1/2 | ASpecInt | 883 | 4 1/4 | 4 1/4 | 4 1/4 | + |
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Dodgers Down Reds, 2-0, On Six-Hitter by Rhoden

CINCINNATI, July 2 (UPI) — Steve Garvey homered in the seventh inning to break a scoreless tie and Rick Rhoden pitched a six-hitter last night to pace Los Angeles to a 2-0 victory over the slumping Cincinnati Reds, extending the Dodgers' winning streak to six games.

Rhoden, recording his seventh victory against four losses, struck out seven and walked five en route to his fifth complete game.

Los Angeles' Tom Seaver, 9-6, had not

given up a bit and had struck out five batters in a row when Bill Russell beat out a roller to the left of the mound in the fourth inning for the Dodgers' first hit. A sixth-inning double by Russell was the only other Dodger hit before Garvey led off the seventh with his 11th homer of the season.

The Dodgers' second run of the game — which was delayed by rain at the start for 2 hours and 33 minutes — came in the ninth on singles by Reggie Smith, Garvey and

Dusty Baker. The Reds have lost six games in a row and eight of their last 10 — four by shutouts.

Giants 15, Braves 4

At Atlanta, Willie McCovey hit a home run and Terry Whitfield had a three-run double in an eight-run fifth inning as San Francisco defeated Atlanta, 15-4. Jack Clark hit his fourth home run in two nights, a three-run blast in the eighth inning, when the Giants scored five times. It was his 13th of the year.

Expos 3, Cards 2

At Montreal, Del Unser homered off reliever Mark Littell in the ninth inning to give Montreal a 3-2 triumph over St. Louis. Steve Rogers (10-7) gained his sixth triumph.

Astros 9-3, Padres 2-9

At Houston, Mark Wiley, making his first National League start, allowed four hits through the first five innings to help San Diego to a 9-3 victory over Houston and a split of their doubleheader. In the opener, Houston's Wilbur Howard collected three hits and knocked in three runs, two of them in a six-run fifth inning, to lead the Astros to a 9-2 triumph.

Pirates 1, Mets 0

At Pittsburgh, Willie Stargell's pinch single with two out in the eighth inning scored Manny Sanguillen from second base to give Pittsburgh a 1-0 victory over New York behind the combined pitching of Jim Rooker and Kent Tekulve.

Phillies 2, Cubs 1

At Chicago, Bob Boone's home run and a run-scoring single by Ted Sizemore carried Philadelphia to a 2-1 victory over Chicago, boosting its lead in the National League East to four games. Randy Lerch, posting his first triumph in two months, limited the Cubs to five hits in the six innings he pitched and raised his record to 4-6.

A's 4, Royals 2

In the American League, at Oakland, rookie left-hander John Johnson pitched a five-hitter as Oakland won its fourth straight, 4-2, over Kansas City. Johnson struck out nine.

Tigers 8, Yankees 4

At New York, Rusty Staub had four hits and drove in three runs and Lou Whitaker drove in three more as Detroit trounced New York, 8-4. Staub had run-scoring doubles in the second and third innings, a single to center in the sixth and a single in Detroit's two-run seventh as the Tigers staked Jack Billingham (6-5) to an 8-0 lead.

Blue Jays 9, Indians 3

At Toronto, designated-hitter Rico Carty drove in four runs to lead Toronto to a 9-3 victory over Cleveland. Tom Underwood got the victory with relief help in the eighth inning from Victor Cruz.

Twins 10, White Sox 0

At Bloomington, Minn., Dave Goltz pitched a six-hitter and Hosken Powell doubled twice and scored four times as Minnesota spoiled the managerial debut of Larry Doby by beating Chicago, 10-0. Minnesota hammered White Sox pitchers for 15 hits, including five doubles.

Rangers 6, Angels 3

At Anaheim, Calif., Toby Harrah drove in three runs with a pair of singles and Richie Zisk hit his 12th homer as Texas pulled a full game ahead of second-place California in the American League West with a 6-3 victory over the Angels. Doc Medich went the first six innings to earn his third victory in six decisions with help from Jon Matlack — making his first relief appearance of the year.

Brewers 6, Mariners 0

At Seattle, Larry Sorensen got his 11th victory on a seven-hit shutout and Sixto Lezcano drove in two runs with a homer and single to lead Milwaukee to a 4-0 triumph over Seattle. Milwaukee's victory, combined with Boston's loss to Baltimore, moved the second-place Brewers to within seven games of the Red Sox in the AL East.

Orioles 3, Red Sox 2

At Baltimore, Larry Harlow singled in Terry Crowley from third base with one out in the bottom of the 11th inning, giving Baltimore a 3-2 victory over Boston. Doug DeCinces walked and Crowley singled off starter Mike Torrez, 11-4, to open the inning. Pinch-hitter Elrod Hendricks was purposely passed, and one out later, Harlow singled to center on a 3-2 pitch, giving Nelson Briles, the fourth Baltimore pitcher, the victory.

Jackson and Steinbrenner Feuding

NEW YORK, July 2 (AP) — Reggie Jackson, saying that he was "embarrassed and humiliated" by criticism of him by the New York Yankees owner, George Steinbrenner, has struck back.

"You do that to kids," Jackson said, referring to criticism Steinbrenner leveled after the slugging outfielder went 0-for-7 in a doubleheader loss at Milwaukee last week. "If Billy Martin has a bad week or a bad day managing, I'm not going to say he's through. When you get married or you have a good friend you don't give up on them on the basis of one night."

"If you are my friend, stay my friend," Jackson continued, after collecting three hits — including a

grand slam home run — and driving in five runs in the Yankees' 10-2 victory Friday over the Detroit Tigers.

"I don't ridicule him [Steinbrenner] when he fouls up a business deal, so why should he criticize me?" After the Yankees lost the doubleheader to the Brewers, Steinbrenner was quoted as saying: "The reason we lost tonight was not because of the kids in our lineup. It was because of Jackson and [Paul] Blair and [Lou] Piniella and [Chiff] Johnson and [Graig] Nettles. Jackson has cleaned up and he goes 0-for-7."

"I'm proud of the way our kids played. It was the regulars who let us down."



Mario Andretti crosses the line the winner of the French Grand Prix.

Wimbledon Women Steal Show

By Neil Amund

WIMBLEDON, England, July 2 (NYT) — For a while, it seemed overwhelming. Could Chris Evert, Martina Navratilova, Virginia Wade, Billie Jean King, Dianne Fromholtz and Sue Barker be beaten on the same afternoon at Wimbledon?

The scoreboards had the crowd of 29,457 yesterday at the All England Lawn Tennis Club in a frenzy. Evert and Navratilova, the top two seeds, and Wade, the defending champion, had dropped sets to Laura DuPont, Barbara Jordan and Yvonne Vermaak respectively. King trailed a set, with Renata Tomankova of Czechoslovakia serving for 4-0 in the second.

On Court 13, Terry Holladay was serving for the match against the eighth-seeded Fromholtz. And, on the Center Court, Pam Shriver, the 15-year-old American, held three match points against Barker, a Wimbledon semifinalist last year.

Redondo Stunned

But after the rains had come and gone, giving Wimbledon's chewed-up lawn another unnecessary drink, the only seeded woman player to lose was No. 16 Maria Redondo, stunned by Rula Gerulaitis, 6-0, 6-2.

The surprisingly easy victory by the 22-year-old Gerulaitis and yesterday's triumph by her older

brother, Vitas, marked the first time that a brother and sister have crashed the last 16 at Wimbledon since Nancy and Cliff Richey reached the quarterfinals in 1971.

But Rula's 39-minute rout was mellow alongside yesterday's women's singles drama. Eight of the 16 third-round matches were three-setters, filled with tense duce games, crucial service breaks and countless match points and turnarounds that overshadowed victories by Bjorn Borg, Jimmy Connors, Brian Gottfried and Ilie Nastase on the men's side.

Show of Force

It was an important show of strength for the women, after five days of bo-hum activity, and they knew it. As Jordan walked off the court after being beaten by Navratilova, 3-6, 6-1, 6-4, in a well-played match, she told a friend, "Don't anyone give us that 'bull about there's no depth in women's tennis.'"

There was no such drama from the men. The second-seeded Connors needed 2 hours, 47 minutes to turn back Tom Gorman, the 32-year-old whose serve remains a force on grass. The scores were 6-4, 8-6, 8-9, 6-3.

The top-seeded Borg had some uncomfortable moments from Jaime Fillol, dropping a set and falling behind, 0-3, in the fourth. Fillol is one of the more gifted

technicians on the tour, but he simply lacks a dogmatic perseverance to lift his nerves to the level of his strokes. He held two points for 4-1 in the fourth but lost serve. When a rain delay arrived at 3-all, Fillol's hopes washed away, 6-4, 6-2, 6-8, 6-4.

Nastase in Control

Nastase foiled Tom Gullikson's hopes of joining twin brother Tim in the 16s. Too skillful, with his temperamental still intact this week, the ninth-seeded Nastase won, 6-4, 6-3, 1-6, 6-3.

Nastase has decided not to shave until he is beaten here, a tactic used successfully by Borg en route to his two consecutive titles. They could meet in the semifinals.

As Wimbledon wound up its first week with record-setting attendance — today was a day off for the competitors — it also presented the unusual sight of two black players, Arthur Ashe and Yannick Noah, facing Bernie Mitton of South Africa and Andrew Pattison of Rhodesia on the Center Court.

The men's doubles match was witnessed by Andrew Young, the U.S. ambassador to the United Nations, who sat in the royal box. It drew a two-minute standing ovation from the gallery after the 34-year-old Ashe and his 18-year-old partner, playing together for the first time, won the 3-hour, 42-minute match, 6-4, 8-9, 2-6, 6-4, 14-12.

Friday: Indians Shut Out Blue Jays

TORONTO, July 2 (UPI) — Rick Wise pitched a four-hit shutout and Horace Speed drove in two runs with a single and a triple Friday night to spark the Cleveland Indians to a 3-0 victory over the Toronto Blue Jays.

Wise struck out eight and walked two in posting his sixth victory against 10 defeats. He was in trouble only in the sixth inning when, after striking out Roy Howell, he gave up singles to Rico Carty and John Mayberry to put runners on first and second. Wise then struck out Willie Upshaw and Dave McKay to end the inning.

Speed gave the Indians their first run in the third when he singled home Paul Dade, who walked and moved to second on a sacrifice by Rick Manning. Speed tripled home Gary Alexander, who had doubled in the fifth and scored on Ted Cox's groundout. Jerry Garvin lasted 7 1/2 innings for Toronto and suffered his eighth loss in 10 decisions.

Yankees 10, Tigers 2. At New York, Reggie Jackson drove in five runs with a single and his sixth career grand slam to lead a 10-2 rout of Detroit. Jackson singled home a run in the second inning off loser Steve Barker then hit a bases-loaded homer in the third, a six-run inning. Don Gullett benefited from New York's 17-hit attack to win his fourth game without a loss.

Orioles 3, Red Sox 2. At Baltimore, Pat Kelly's single in the 11th inning scored Rich Dauer and enabled Baltimore to snap an eight-game losing streak with a 3-2 victory over Boston. Mike Flanagan and Don Stanhouse combined to strike out 15 for Baltimore.

Cardinals 2, Expos 1. At Montreal, Mike Tyson doubled home pinch runner Jerry Murphy with one out in the 10th

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Lotus 1-2 Again

Andretti Captures French Grand Prix

LE CASTELLET, France, July 2 (AP) — Mario Andretti, driving his JPS Lotus "as hard as I could," swept to victory in the French Grand Prix here today, increasing his lead in the 1978 world drivers championship.

Ronnie Peterson, his teammate, held off an ill and angry James Hunt in a McLaren to take second place behind Andretti for the third time this year in another display of Lotus domination, and remained second in the championship standings.

Fourth behind Hunt in the race was John Watson in a Brabham, with Alan Jones fifth in a Williams. Jody Scheckter came in sixth in his Wolf, inches ahead of Jacques Laffite in a Ligier.

Hunt accused Andretti of balking him on the first turn from the start in a dangerous maneuver and said it might have cost him the race. And on the final lap, Hunt almost lost his hard-fought third spot when he was physically ill with exhaustion in his stifling helmet.

Hunt said Andretti "put in front of me. If I'd not braked properly I could have hit him and put him in hospital for the rest of the season. It's silly when you are leading the championship. You don't win races from a hospital bed."

"Andretti reacted curiously. 'I've had it with James' bitching."

Record Speed

Andretti covered the 54 laps of the Paul Ricard circuit, which was baking in 85-plus heat and packed with 80,000 fans, in 1 hour 38 minutes 51.92 seconds at a record average speed of 118.24 miles an hour (190.405 kph).

He took the lead from the pole man, Watson, through the fast straight at the end of the back straight and was never headed. "But there have been races where I felt more in control, and I certainly never felt I had a comfortable margin over Hunt," Andretti said.

But Andretti added that "I felt much more comfortable than Hunt did, having my teammate behind me." The three ran in the lead from the 16th lap of the race.

The victory gave Andretti 45 points and Peterson 36 to continue in the lead for the 1978 world championship over Niki Lauda, the reigning champion, with 25 points.

Lauda abandoned the race on the 10th of the 54 laps. He was second when the engine of his Brabham failed.

Lauda Keeps His Victory In Sweden

LE CASTELLET, France, July 2 (AP) — Protests by other teams against Niki Lauda's victory at the Swedish Grand Prix in the controversial Brabham "vacuum cleaner" car have been withdrawn. It was announced here yesterday. The victory will thus count for the defending world champion driver.

The ruling body of motor sport, the International Sporting Commission, banned the Brabham car in an emergency meeting a week ago, six days after the Swedish race.

The commission said it believed the car's high cornering speed would start a dangerous escalation in Grand Prix racing.

Transactions

BASEBALL
NEW YORK YANKEES—Placed Andy Messersmith, pitcher, on the 60-day disabled list. Called up Bob Kannever, pitcher, from Tacoma of the Pacific Coast League.
MILWAUKEE BREWERS—Placed Dave Kirsner, outfielder, on the 60-day disabled list. Recalled Mike Gorman, catcher, from Wichita of the American Association.

New Leader of Tour

ST. GERMAIN EN LAYE, France, July 2 (UPI) — Klaus-Peter Thaler won the third stage of the Tour de France cycling race here today. A new overall leader, Jacques Bossis, took the yellow jersey from Jan Raas.

SuperSonics and Wilkens Far Apart on New Pact

SEATTLE, July 2 (AP) — The Seattle SuperSonics, bubbling in the euphoria of the National Basketball Association championship series a month ago, are having unexpected problems signing their coach, Lenny Wilkens, for another season.

Wilkens, who would like a second year as coach and director of player personnel, spoke about the contract problems last week after the first media appearance of the newest Sonic, backup center Tom LaGarde, who was acquired from the Denver Nuggets.

There appear to be two problem areas — money and Wilkens's dual jobs, which he assumed when he took over the coaching duties from Bob Hopkins last Nov. 30.

"I want to be here very much," said Wilkens, "but I want to get what I feel I'm worth."

Nothing Resolved

"We [Wilkens and the Sonics] haven't resolved anything. We talked once and I just explained what I thought I should have and he wasn't agreeable to that. So I guess we're at a kind of impasse."

Schulman sees the conflict in simple terms. "He thinks one amount is fair and I think another amount is fair," Schulman said by telephone from his Los Angeles offices.

Close Finish

Wilkens inherited a 5-17 team from Hopkins and guided the Sonics to one game of the NBA championship this season.

Schulman has bitter memories of his relationship with Bill Russell, who was paid a reported \$250,000 a year to be both general manager and coach. Schulman finally told Russell he could have one job or the other, but not both.

Schulman wants Wilkens as a coach, but not more.

"I prefer him not to hold two positions," Schulman said. "I think it's not the best approach. As the coach who has to deal with the sal-

aries of players, he often finds himself in a state of conflict."

A side issue in the conflict is Wilkens's desire for a long-term contract.

"He wants a five-year contract, which I dread giving, for his own security," said Schulman.

Borussia Agrees To Sell Bonhof To Spaniards

MOENCHENGLADBACH, West Germany, July 2 (UPI) — The Borussia Moenchengladbach soccer club decided today to sell Rainer Bonhof, its star midfielder, to CDF Valencia of Spain.

A club spokesman declined to say how much money the Spaniards will pay for the 26-year-old Bonhof, a member of West Germany's World Cup team, but soccer sources estimated transfer money at 2 million marks (\$966,185).

Neeskens Content

MADRID, July 2 (UPI) — Midfielder Johan Neeskens said today that despite rumors that Barcelona wants to transfer him, he wants to stay with the team.

In an interview with the newspaper AS, Neeskens, a Dutchman, said, "In no case do I want to leave Barcelona at least for the year left [of his contract]. And I even aspire to renewing for several years more if my playing performance continues as it is and the public continues to like me."

"It is not a question of money," he said. "Both my wife and I love living in Barcelona."

Under the rules of the Spanish Soccer Federation, each club can have on its roster a maximum of two foreign players. Johan Cruyff retired from Barcelona after the season and the club has just signed Austrian striker Johannes Krankl.

End of Races Delayed

The crews returned to the boat tents, delaying the conclusion of the regatta for more than an hour. When the race was finally rowed, London defeated Leander by two lengths in the time of 6:54.

In the final of the Princess Elizabeth Challenge Cup for Schoolboys Eight, Eton College defeated Brentwood College of Vancouver Island, British Columbia, by two-and-a-quarter boat lengths, to the delight of the English "mums" cheering in the stands.

This Henley Royal Regatta will be remembered as the year the Americans knocked each other off in the heats, producing only two finalists and for the first time in years, no U.S. winners.

Bulgaria, Britain Excel at Henley

By Norman Hildesheim

HENLEY-ON-THAMES, July 2 (NYT) — Britain and Bulgaria divided all the honors today as the 139th rowing of the Henley Royal Regatta concluded under cloudy, but dry, skies.

The United States placed two crews in the finals, the University of Washington in the Grand Challenge Cup and Yale's freshman heavyweights in the Ladies Challenge Plate. Neither U.S. crew could take the measure of its opponent, Washington putting up a game fight against the Trakia Club, Bulgaria's national squad, but falling short by three-quarters of a boat length, or 40 feet, in the final of the "Grand."

Bulgaria also won the Stewards Challenge Cup, a "row-over," or by default, when the only other entry in that event, London Rowing Club, withdrew. Bulgaria also captured the Prince Philip Challenge Cup for coxed-fours over England's Quintin and Marlow Rowing Club. The only Bulgarian loss occurred

in the semi-finals of the Diamond Challenge Sculls, when Kim Grooks, Britain's world-class singles sculler, and defending Diamond's champion, stirred the crowd in his come-from-behind victory over M. Nikolov, Grooks, rowing against his fellow countryman Hugh Matheson, had an "easy," or more than five-boat-length victory, today.

Imperial College of London, disregarded in the regatta's "selection," Henley's version of seedings, won the Ladies Plate Final, successively beating three U.S. crews — the Coast Guard Academy, Syracuse freshmen heavyweights and Yale's freshmen heavyweights — to take the final.

The Double Sculls Challenge Cup was won by Britain's gold medal world champions, Chris Baillieu and Mike Hart, for the fourth time since 1973.

In the second most important eight-oar event of the regatta, the Thames Challenge Cup, the all-English final between Henley's Leander Club and the British na-

